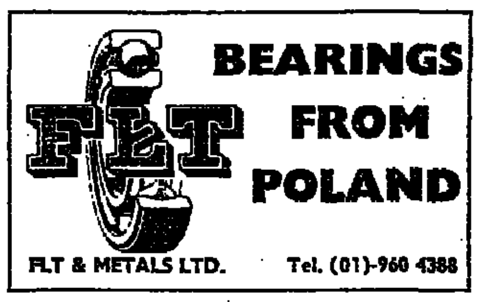
FINANCIAL TIMES

No. 26,848 Thursday December 18 1975 ***10p



CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pts.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Wilson attacks U.S. aid for IRA

...ldressing a London dinner of ...e Association of American ...rrespondents last night, Mr. ...rold Wilson, Prime Minister, ...ade a strong attack on IRA ...mpathisers in the U.S.

Mr. Wilson said it must be ...early understood in the U.S. ...at American money — the ...llion and more dollars that ...d flowed to Ireland since 1971 had directly financed the IRA's ...owardly campaign of terror ...d murder."

Those who subscribed to the ...sh Northern Aid Committee, ...e principal IRA fund-raising ...ganisation in the U.S., were ...t financing the welfare of the ...sh people, as they might ...lude themselves. They were ...ancing murder.

...omb factory

Police last night cleared seven ...ge plastic bags full of timing ...vices, detonators and other ...plosives equipment from a top ...or Stoke Newington flat—the ...ond London bomb factory flat ...be found in five days. Neigh...urs said four Irishmen moved ...about six months ago.

Last night Scotland Yard ...used to discuss any written ...uments found at either flat ...lowing a Press report which ...d that a possible IRA death ...t of prominent people and ...ny officers had been found.

...outh Africa ...dmits to ...ngola troops

...r. Piet Botha, South African ...efence Minister, yesterday ...mitted that four South African ...ldiers had been captured by ...e MPLA in Angola, thus ...knowledging that South ...rican troops are operating far ...om Angola's border with South ...frican-administered Namibia. ...ck Page. Editorial comment ...ge 18

...orry,' Weighell ...ells House

...r. Sidney Weighell, general ...retary of the National Union ...Railwaymen apologised yester... to the Speaker for saying ...t the union's 10 sponsored ...s might be instructed to vote ...inst the Government. Mr. ...eighell also asked Mr. Anthony ...osland, Environment Secre...y, to discuss reports of ...ssible cuts with the three rail ...ions before Christmas. Page 11

...r. K under fire ...t Paris talks

...acks on the industrialised ...rld by a number of oil pro...cers and developing nations ...terday shattered the con...atory atmosphere of the 27-...ion Paris Conference for ...ernational Economic Co-...eration. Dr. Henry Kissinger, ...S. Secretary of State, was ...ongly criticised for blaming ...ession and inflation on oil ...ces. Page 6.

...msterdam siege

...e seven South Moluccan ...rillas holding 25 hostages at ...e Indonesian consulate in ...sterdam would shoot their ...tives if security forces tried ...storm the building, the son of ...key Moluccan clergyman ...gotiator claimed.

...riefly . . .

...s Lynette "Squeaky" ...omme was jailed for life at ...cramento, California, for ...empting to assassinate Presi...t Ford. Earlier story, Page 5

...S Belfast, the Thames-moored ...seum-piece cruiser, is seeking ...ancial aid from the Govern...nt. Men and Matters, Page 18

...ean-going hovercraft of up to ...00 tons are being developed ...the U.S. Navy, the 1976 ...tion Jane's Surface Skimmers ...ports.

...rlines at Heathrow began to ...uggle back to normal yester...y after two days of fog disrup...n. Page 4

BUSINESS

Seasonal quiet for equities

● EQUITY market conditions remained very quiet, restrained further by the Trafalgar House rights issue announcement. The FT 30-share index closed 0.5 higher at 368.3.

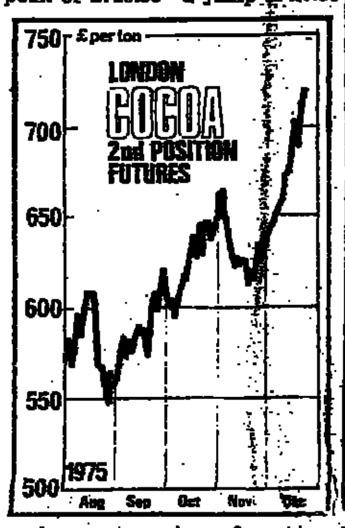
● GILTS moved up, with interest at the short end. The Government Securities index put on 0.13 to 58.64.

● STERLING gained 35 points on the day to $2.0220, its average depreciation remaining at 30 per cent. The dollar's widened to 1.77 per cent. (1.72).

● GOLD gained 25 cents to $139¼.

● WALL STREET was up 1.42 at 845.72 just before the close.

● COCOA prices reached a new peak of £719.50—a jump of £7.50



on the previous close after strong buying developed. Page 23

SE commission charge scale

● THE STOCK EXCHANGE Council has announced its new scale of commission charges, which now go to the Price Commission for approval. Back Page

● FRENCH Government is to go ahead with plans to introduce capital gains tax next year, but the Finance Minister, M. Jean-Pierre Fourcade has ruled out any form of wealth tax. Page 6

● TGWU has published proposals for ending casual labour in the fishing industry, involving a statutory registration scheme for both trawler owners and fishermen. Page 11

● BRITISH motor manufacturers are making another attempt to persuade their Japanese counterparts to restrict voluntarily their exports to the U.K., following the Government Think Tank call for ways of restraining imports.

● BRITISH AIRWAYS hopes to end the financial year in the black, if by only a small margin, says retiring chairman, Sir David Nicolson. Page 7

● A £14m. SHARE stake in P &O has been sold for £12.4m. to institutional investors. The shares were owned by associates of the Norwegian shipowner Mr. Hilmar Rekston. Back Page

● HAW PAR Brothers International has filed a claim for about $5m. against Slater Walker Securities (Singapore) in relation to professional fees. Page 20

COMPANIES

● TRAFALGAR HOUSE made a profit of £22.2m. for the year 1974-75 against £19.57m. The Board has raised the dividend by 70 per cent. to 3.4634p and is raising £25.5m. by a rights issue. Page 21 and Lex

● UNIGATE profits for the first 24 weeks ended September 13 were £9.04m. against £7.82m. last time. Page 21 and Lex

● FKH, the steel-making arm of the German Krupp group, expects a loss of DM200m. for the whole of 1975, management board chairman reports. Page 22

Textile industry unmoved by import controls

HP relaxed in Healey package

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE relaxation of hire purchase controls, and a much watered-down version of the long-promised "selective and temporary" controls on imports, are the key items in the Government's pre-Christmas package of economic measures.

Unveiling his measures in the House of Commons yesterday afternoon, Mr. Denis Healey, Chancellor of the Exchequer, announced further extensions of the Government's various job-creation measures, and Government approval of a special £70m. counter-cyclical stockbuilding scheme proposed by the British Steel Corporation.

The import controls only cover some textile imports from Spain and Portugal, and shoes from Eastern Europe.

There will be talks about voluntary restraint on imports of men's suits from Eastern Europe. All that is happening with respect to colour TV imports is the introduction of a "surveillance licensing system."

Controls on car imports were considered, Mr. Healey said, but excluded because there were strong fears of retaliation.

Moreover the domestic industry's stocks were so low that import controls would lead to a diversion of exports to the home market.

Having chosen a Parliamentary debate on unempolyment in which to announce the measures, Mr. Healey put them in the context of two principal aims.

1—To do what he could for employment, while constrained by inflation and the balance of payments from a general reflation of demand.

2—To ensure that U.K. manufacturing industry could weather the present recession and compete more effectively when world demand revived.

The import control moves were regarded on all sides last night as the dampest of damp squibs—even by the domestic textile industry for whose benefit they were principally designed.

Nevertheles, the measures still managed to provoke instant hostile reactions from the European Common Market Commission and the U.S. Government.

The hire-purchase relaxations were more welcomed, particularly by the consumer durable industries which had been urging them upo nthe Government for some time.

The Chancellor did not give an estimate of the likely effect, decribing the moves as "a usfeul stimulus over the next few months with no cost to the taxpayer and no additions to the public sector borrowing requirement."

The exclusion of cars obviously means the HP package will have a less dramatic impact than some previous such attempts at "fine tuning" the economy.

But Mr. Healey admitted that, even with present unemployment levels, the British car industry could not meet the demand if HP controls *were* relaxed.

"We cannot hope to get unemployment down so long as existing demand is unfulfilled through industrial disputes," he warned.

Changes in HP are traditionally quick acting, and some estimates put the effect of yesterday's measures as likely to boost the volume of sales of consumer durables by some 3 per cent. over the next 12 months, with the bulk of the increase concentrated in the next six months.

The course of consumer demand will continue, however, to be dependent on people's attitude towards savings at a time of high unemployment.

John Bourne writes: Mr. Healey's batch of measures did nothing to raise the spirits of Labour MPs, who were already angry and dejected by the Government's handling of the Chrysler crisis.

His speech was heard mostly in silence, except for bitter mutterings and interjections from some of his backbenchers.

The Left-wing was scornful about any real stimulus to and protection for the economy.

Indeed, it was only rallied behind the Government by the general attacks on Mr. Healey's failure to cut public expenditure and restore industry's profits, delivered by Sir Geoffrey Howe the "shadow" Chancellor, and by his announcement that on these

Continued on Back Page

● HP—Down-payments reduced to 20 per cent. (33⅓ per cent.) and maximum repayment period increased to 30 months (24 months) for most consumer durables, but not cars. Advance rental on TV sets 26 weeks (42 weeks). Controls abolished for carpets, floor coverings, furniture, kitchen and bathroom fittings, mattresses, space and central heating, pre-fabricated buildings, caravans and boats.

● IMPORT CONTROLS—Quotas on cotton-yarn imports from Spain, and on cotton yarn and man-made fibre fabrics from Portugal. Discussions with East European countries to agree on level of exports of men's woollen suits. Voluntary restraints on men's shoe imports from East Europe to continue in 1976 extended to women's and children's shoes.

● EMPLOYMENT—Money for Manpower Services Commission raised from £30m. to £40m. to cover 35,000 (25,000) people. Scope of Temporary Employment Subsidy extended lifting cost from £16m. to £19m. Places available in Community Industry Scheme for young people raised to 4,000 (3,000).

● STEEL STOCKBUILDING—Government to finance counter-cyclical steel stockpiling scheme for British Steel Corporation. Cost £70m. in current financial year.

● BANKS—Bank of England to restate qualitative guidance to banks, urging priority for lending to manufacturing industry for exports, import saving, industrial investment and working capital needs. Banks allowed to ease consumer lending in line with HP relaxation.

Parliament and features Page 12 ● Editorial comment Page 18 ● Economic viewpoint Page 19

OECD forecasts 4% growth in world economies next year

BY MALCOLM RUTHERFORD

THE WORLD'S major economies should grow by about 4 per cent. next year after a decline of 2 per cent. in 1975. At the same time as this "moderate upswing" the average rate of inflation could come down from 10.5 per cent. to 8.5 per cent. but there might be a further slight rise in unemployment.

These are the main forecasts of the OECD in the latest issue of its twice-yearly Economic Outlook, published to-day.

The OECD also forecasts a 1976 current account deficit for member countries of $17.5bn. after only $6bn. this year and warns that a number of developing countries which are not oil producers are eginning to face acute payments difficulties.

Much faster

Economic recovery, it suggests, will be much faster in North America and Japan—where GNP might increase by about 5 per cent. between the second halves of 1975 and 1976—than in Europe. French and German growth rates might reach 3-3.5 per cent., but those of Britain and Italy only 2 per cent. or less.

The specific forecast for Britain is for a continuing rise in unemployment to a level of almost 1.5m. (6.5 per cent.) by the end of next year, but an "appreciable" slow-down in inflation.

"In the last quarter of 1976," it says, "the annual rate of increase could be about 9 per cent., compared with 16.5 per cent. a year earlier." The current account deficit should come down from about $4bn. to about $3bn. (This forecast is on the basis of unchanged economic policy.)

Economic Outlook argues that the main factors in the general recovery are the fiscal boost to demand in several countries and the end to the run-down of inventories. But both will lose force in the course of 1976 and "it seems questionable whether the present temporary stimuli to demand will be succeeded, during 1976, by self-sustaining sources of buoyancy."

In particular, there is a slight chance for a boost of fixed investment by business so long as there is so much spare capacity.

On the other hand, the existence of spare capacity means that the risks of returning to generally excessive demand next year are negligible. The Outlook therefore recommends a "gradualist" strategy in which expansion should be led by those countries with comparatively favourable price and balance of payments positions—the U.S., Germany and Japan.

These countries should give their existing recovery policies time to show their effects, while Britain and Italy should concentrate on reducing inflation and relying on export-led growth.

In the international payments field, the OECD forecasts lower surpluses next year for both the U.S. and Germany, a possible weakening in France and the return of Japan to "appreciable" deficit. It does not foresee severe financing problems for OECD members, but the situation is quite different when it comes to the non-oil developing countries.

Surprising

The surprising thing, it says, is that these countries should have been able to finance their deficits so far. By now, however, "acute difficulties may be coming to the surface. Their ability to borrow on the markets is likely to shrink, and they may not be able to run down gross reserves at the 1975 rate."

In general, the OECD forecasts are about 1 per cent. weaker than those officially presented by national authorities, and the Economic Outlook warns that the margin of error in its GNP forecasts could be as much as 1.5 per cent. either way.

OECD Economic Outlook No. 18. Available from OECD Paris or SO. Price £3.10.

Further details Page 6

GNP TREND AND INFLATION FIGURES

	Real GNP 1974 to 1975	Real GNP 1975 to 1976	Consumer prices 1974 to 1975	Consumer prices 1975 to 1976
All OECD countries	−2	[illegible]	10½	8¼
United States	−3	5½	8	7
Japan	1½	4½	12½	9½
Western Europe	−2½	2	12	9½

Carr among nine new life peers

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. ROBERT CARR, a senior Minister in Mr. Heath's Cabinet, has been made a life peer in a list of nine new peerages announced from 10, Downing Street to-day.

His acceptance means that there will be a by-election at Carshalton, where he had a majority of 3,698 at the last election.

Until the by-election, the Government's majority of one over all other parties, lost on the death at the week-end of Mr. Maurice Edelman, will be restored.

Mr. Carr, an MP since 1950, was Employment Secretary, Lord President of the Council and Home Secretary between 1970 and 1974. He was always regarded as one of Mr. Heath's closest colleagues and was not invited to join Mrs. Thatcher's Shadow Cabinet.

Mr. Carr's elevation, made on Mrs. Thatcher's recommendation, will greatly strengthen the Opposition in the Lords.

Among the other new peers are Sir Raymond Brookes, president and former chief executive of Guest Keen and Nettlefold, who was also recommended by Mrs. Thatcher, and Dr. William McCarthy, Fellow of Nuffield College, Oxford, and a specialist in industrial relations.

Four of the new peers are former MPs. They are: Mr. Tom Driberg, Left-wing Labour MP for Maldon from 1942 to 1955 and Barking from 1959 to 1974 and a member of the Labour Party's National Executive; Mr. Donald Chapman, Labour MP for Birmingham Northfield from 1951 to 1970 and now chairman of the Development Commissioners; Mr. Albert Oram, Labour MP for East Ham South from 1955 to 1974 and a former junior Minister; and Dr. Michael Winstanley, Liberal MP for Cheadle from 1966 to 1970 and for Hazelgrove between the two general elections last year. Dr. Winstanley was recommended by Mr. Jeremy Thorpe, the Liberal leader.

The other peerages are for Miss Lucy Faithfull, director of Social Services for Oxford from 1970 to 1974, and Mr. Gordon Parry, warden of the Pembrokeshire Teachers' Centre.

£ in New York

—	Dec. 17	Previous
Spot	$2.0190-0200	$2.0180-0190
1 month	0.90-0.85 dis	0.90-0.85 dis
3 months	2.38-2.33 dis	2.36-2.30 dis
12 months	7.83-7.73 dis	7.77-7.67 dis

Civil Service closed shop plan

BY JOHN ELLIOTT, LABOUR EDITOR

A CLOSED SHOP for the Civil Service under which Britain's 540,000 white-collar civil servants of all grades would have to join one of nine established trade unions is new being considered by the Government.

At the same time closed shop claims are also being prepared by unions representing 1.4m. local council manual and white-collar workers as part of a big surge in closed shop activity now under way, affecting approaching 3m. workers in various industries.

This follows the Trade Union and Labour Relations Act last year freeing closed shops from basic legal restraints. Some new closed shop agreements and negotiations are being held back, though, until the current Parliamentary row over Government amendments to the Act has been resolved and the final shape of the law has emerged.

Major deal

One major deal awaiting implementation has been negotiated between the Post Office Corporation and the Union of Post Office Workers for 200,000 workers under which UPW membership will become compulsory for all new recruits although existing staff will have the right to refuse membership.

The more contentious area, however, is the civil service, where a claim by the staff side of the Civil Service Whitley Council is now being critically examined by the Government. It may well fuel the current controversy over the closed shop because of the potential power it would give the trade unions over the Government's work.

At present about 85 per cent. of civil servants are thought to belong to the unions, who are, however, far from united on hte idea of a closed shop. Some, such as the top-level First Division Association and the Institution of Professional Civil Servants, are adopting a more low-key approach than the biggest and most militant union involved, the Civil and Public Services Association, which represents lower ranking grades and wants to force all civil servants into one of the nine unions.

Some of the other unions would be prepared to allow existing civil servants to opt out, possibly paying fees equivalent to union dues either to the unions or to a charity.

Another idea being floated by some union leaders who fear that the CPSA's hard line might prompt an outright rejection by the Government, is that a national "umbrella deal" would be negotiated by the Whitley Council. This, however, would not bind any unions or groups of workers, each of which would be able to "opt in" under the terms of the umbrella agreement if they wished to operate closed shops in their own areas.

Local government

In local government, where closed shops used to operate in some councils before they were outlawed by the Industrial Relations Act, national talks have taken place involving both white-collar and manual groups. These have now been adjourned and the unions involved, with the National and Local Government Officers Association spearheading the campaign in the white-collar area, are lodging claims with individual councils.

The unions' aim however is to negotiate national agreements which could then be adopted in local negotiations with individual councils.

The year of the closed shop Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...asury 12¾pc 1995	£86¼	+ ¾
...nding 5½pc '82-84	£71½	+ ½
...da Packaging	76	+ 4
...buthnot Latham	170	+ 10
...on Rubber	51	+ 4
...leys of Yorks.	48	+ 5
...rpets Intnl.	82	+ 6
...mpAir	71½	+ 5½
...ham (R.)	240	+ 4
...era	265	+ 5
...ko	375	+ 5
...es (H. C.)	170	+ 46
...nson-Richards	217	+ 20
...dustries	56	+ 4
...gnet & Southerns	173	+ 10
...irhead	112	+ 4
...p. Hldg. and Inv.	197	+ 7
...dman-Heenan	19	+ 3
...enthlor	35	+ 3
Steel Bros.	225	+ 5
Stenhouse	83	+ 3
Tarmac	177	+ 9
Thorn Elect.	206	+ 6
Tunnel Hldgs. "B"	188	+ 4
Unilever	416	+ 4
Wilkinson Match	141	+ 5
BP	585	+ 5
Anglo United	77	+ 7
De Beers Dfd.	293	+ 7
Northgate Explor.	247	+ 7
Westfield Minerals	771	+ 7

FALLS

Barratt Devs.	112	− 8
Brown Shipley	150	− 10
Jardine Secs.	117	− 6
Normand Elect.	32	− 5
Stewart Plastics	82	− 16
Anglo American	348	− 7
Elsburg	172	− 13
Sabina	97	− 8
Welkom	265	− 15

For latest Share Index 'phone 01-246 8026

LOMBARD

Multinationals' tarnished image

BY C. GORDON TETHER

THE CHRYSLER story makes pretty distasteful reading—whichever way you look at it. But there is one "good" of no small consequence that can be extracted from it. For it should at last bring home to the British public that multinational involvement in a country's economic life is far from being the unmixed blessing that its devotees and its extremely active lobby have made it out to be. And that should cause us both to treat multinational penetration of our own industrial system in much more circumspect fashion in future and encourage us to take a much greater interest *in complaints about the way in* which it exploits the Third World.

Up to comparatively recently, Britain was, of course, a favourite target for the overseas development ambitions of American multinationals—and most *multinationals are predominantly* American-owned. And readers will hardly have forgotten with what determination the Establishment rejected any suggestion that allowing this process to continue would not be to the country's advantage.

Borne out

The induction of foreign capital and technological know-how, it was asserted—whenever the unveiling of plans for yet another *foreign take-over of a major* British undertaking set the argument going again—was bound to enrich the home economy. And there should be no danger of the passing of control from British hands leading to the "target company's" affairs being conducted in a manner inimical to the interests of its work-force and the country at large. For would it not still be within the reach of British Government policy in the same way as any home-based concern?

In some cases, no doubt, these high hopes have been borne out. And it is certainly arguable that many multinationals operating in Britain do match up to the public image of themselves which they assiduously try to create in the public's mind with weighty advertisements illustrating what they are doing to help the home side—that of organisations which are just as British in their outlook as the British themselves.

The Chrysler affair clearly indicates, however—and all the usual reassuring noises were made about Whitehall's decision *to allow this multinational to take* over the Rootes empire from its British owners at the time—that things do not always work out in such satisfactory fashion.

How far decisions affecting the British subsidiaries motivated by "wider considerations" have been responsible for the crisis that has now overtaken Chrysler's part of the British motor industry it is not easy to determine. But there seems little doubt that they have played some part in it. And there seems almost universal agreement that the corporation has exploited the awkward situation in which this has placed the Government to extract from Whitehall a deal to rescue its British assets that is heavily weighted, in cost-benefit terms, in its own favour.

Well-founded

It is a saddening experience for this country. But, as I said at the start, it has the advantage of being a sobering one as well. It demonstrates that the misgivings which a few observers have had all along about the freedom granted to foreign companies to take over British companies and run them—if they so chose to do—in the manner that suited their international interests best were well-founded. And we can presumably expect that the role of the multinationals in our economic life will receive much closer attention from now on.

We could well make a start by debating the range of "policy options" relating to this aspect of our affairs set out in the Transport House document recently submitted to members of Labour's national executive committee. Certainly, it seems to get much nearer the heart of the matter than the "good conduct" code for multinationals which the OECD has just finished drawing up for submission to member governments.

Another valuable consequence of the Chrysler experience, one would have hoped, would be to encourage people in this country to take a much closer interest in one of the main grumbles of *the developing countries. Which* is that multinationals—and there are, of course, quite a number of British-based versions—are one of the main instruments whereby the affluent countries exploit the rest of the world, notably by acquiring what it *produces at unduly low prices.*

Grasping the multinational nettle is not, needless to say, going to be an easy matter now that it has assumed such a formidable size. More than half the 100 largest economic units operating in the world to-day are *multinational concerns and the* power and influence they yield is, therefore, immense. Yet it is a task that has got to be faced—nationally and internationally. And the sooner this is done, the better.

RACING — BY DOMINIC WIGAN

Brandy for your party spirit

WITH THREE races having had to be divided at Southwell to-day the rearranged nine-race programme on the Nottinghamshire track is due to get under way at 11 o'clock.

The first race is the first part of the First Division of the Christmas Party Novices' Hurdle, and the final race—four hours later—is the second part of another division of the same race.

Although several promising hurdlers are in action at Southwell, the best bet of the afternoon, in my opinion, is that much improved chaser *Napoleon Brandy*, who bids for his fourth consecutive victory of the campaign in the Christmas Stocking Chase (1.30).

Napoleon Brandy, who opened his account at the first time of asking this season when conceding 2 lbs. to *Le Robstan* at Folkestone early in November, has since found little difficulty in following up against stronger opposition here and at Plumpton.

His most impressive performance, to my mind, came in the Denton Chase over to-day's three-*mile course and distance at the* beginning of this month.

Always travelling smoothly in the Denton Chase, Napoleon Brandy had only to be kept up to his work in the final stages to maintain a six-length advantage over Spariot, whom he had collared approaching the last fence but one.

SOUTHWELL
11.00—Delarum
11.30—Dyscole**
12.00—Connecticut
12.30—Smiling*
1.00—Ladyrullah
1.30—Napolean Brandy***
2.00—Pollock Fair
2.30—Raynham
3.00—Tarot

TAUNTON
12.15—Fezan
1.15—Kellagem
1.45—Kentucky Fair
2.15—Irish Scholar

A reproduction of that form ought to see the progressive Napoleon Brandy coping with the *recently Leicester* third, Kevock Royal, from whom he receives 2 lbs.

There have been few more impressive displays by a first season hurdler this term than that put up by the French-bred *Dyscole* in a division of Nottingham's *Ruddington Hurdle* 10 days ago.

Philip Mitchell's highly-rated hurdler, half-brother to the French champion hurdle winner, Mazel, produced a fine turn of foot on the run in there which quickly carried him clear of the runner-up, Boom Boom, and 21 others headed by Baronet.

If, as seems probable, Dyscole, who was backed down to 12-1 from 33—1 in that event, has further improvement in him, he *should take Division 2 Part 1 of* the Christmas Party Novices' Hurdle (11.30) with the minimum of fuss, before going on to better things.

In Div. I Part 2 an hour later I do not intend looking beyond the Silly Season filly, *Smiling*, who took second place behind Gay Signal in the other division of Nottingham's Ruddington Hurdle.

Bob Champion's mount is certain to have derived considerable benefit from that, her first run over the minor obstacles, and it will take an above average newcomer to beat her.

At Taunton, where the course specialist, *Irish Scholar*, can give weight away all round in the principal event of the day, the Monkton Chase (2.15), the best bet of the afternoon may well be *Fezan*, amongst the runners for Div. I Part 1 of the Wilmington Amateur Riders' Hurdle (12.15).

SALEROOM — BY ANTONY THORNCROFT

War Museum buys the secrets

THE INDISCREET letters of Sir John French, commander in chief of the British Expeditionary Force in Flanders during the First World War, to his mistress were sold at Sotheby's yesterday for £4,800 to the Imperial War Museum. The Museum competed against two other bidders in a 70 second sale, and the price was comfortably within the £4,000-£6,000 estimate.

The letters have caused a family stir, and are mainly interesting for the secrets that Sir *John passed on to his mistress*, Mrs. Winifred Bennett. They were sold by her grand-daughter, Mrs. Joan Shihwarg. The 99 letters included details of troop movements, major offensives, and visits to the front by such luminaries as George V and *Winston Churchill. The letters* will go on show after consultations with members of the French family.

After the sale it was announced that Sir John French's grand-daughter, Lady Patricia Kingsbury, had also donated his *war diaries, covering the first* year of hostilities, to the Museum.

All told the third day of the sale of manuscripts and topographical views totalled £53,782. An exceptionally high price of £3,800 was paid for a set of 12 *engraved plates by Boydell*, after Short, of the captured men of war after the victories of Anson and Hawke in 1747. Maggs paid £2,600 for a collection of more than 3,000 letters and papers of Sir Arthur Limpus, senior naval officer during the Dardanelles campaign.

Other good prices were the £1,400 by the Public Archives of Canada for the diary of F. V. C. Livingstone-Learmouth on board the whaler Maud in Baffin Bay in 1889. In all the Museum *invested £3,795 for a series of* lots about Canadian exploration. *A picturesque tour of the island of Jamaica, by* James Hakewill in 1825, was bought by Sabin for £1,400.

At the Central Hotel in Glasgow on Tuesday night *Sotheby's Belgravia held* an auction of Scottish artists, which realised £50,988. Ten per cent. of the lots were unsold. The best prices were the £2,050 for Edward Atkinson Hornel's *By the Sea*, signed 1892 (well above forecast), and £1,400, just below *forecast, for Francis Cadell's Still Life with a Trumpet Beaker.*

A sale of jewels at Christie's made £133,643. A pair of emerald and diamond earrings sold for £11,000 to S. J. Phillips and an emerald and diamond *three stone half-hoop ring made* £9,800. A clock, watch and scientific instrument sale managed £67,722. A gold and enamel pair-cased quarter repeating cylinder watch of 1770 beat its forecast at £4,200, and a rare Queen Anne striking marquetry bracket clock by J. Windmill sold to J. C. Smith for £3,150.

Overseas the Milton Milestone collection of early Wedgwood sold for £124,725 at Sotheby Parke Bernet in New York, and to date, a ten day sale in Amsterdam at Mak van Waay has totalled £381,668.

In London Christie's closes the year on December 23 with an auction of steam engine and ship models, to open again on January 15, and Sotheby's stops on Monday, and recommences in Bond Street on January 5.

NENE VALLEY TO CLOSE IN RUSHDEN

Nene Valley Homes, the manufacturer of caravans and mobile homes is to move its entire factory from Rushden, Northants, to Felixstowe so as to streamline production. Sixty workers will be made redundant.

TV/Radio

† Indicates programme in black and white.

BBC 1

11.15 a.m. The Engineer Through The Looking Glass. 12.15 p.m. On The Move. 12.25 Fo a Fe. 12.55 News. 1.00 Pebble Mill. 1.45 Ragtime. 3.43 Fanny Craddock Cooks For Christmas. 3.58 Regional News (except London). 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Coronet Capers. 5.40 Magic Roundabout.

5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.45 The Likely Lads.
8.30 Mastermind.
9.00 News.
9.25 State Of Emergency.
10.15 Omnibus.
11.05 To-night.
11.40 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 11.40 News and Weather for Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. 11.40 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.40 Northern Ireland News.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day *(from Birmingham); Look East* (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School.
7.30 Newsday.
8.05 André Previn's Music Night.
†9.00 Mid-week Cinema: "I Know Where I'm Going," starring Wendy Hiller.
10.30 Best In The Band.
10.55 Film Night.
11.20 Newsnight.
11.35 Closedown: William Lucas reads "The British" by A. S. J. Tessimond.

LONDON

10.00 a.m. Wait Till Your Father Gets Home. 10.20 Untamed World. 10.45 Animated Classics. 11.30 Bonjour Hinny. 12.00 Animal Kwackers. 12.10 p.m. Hickory House. 12.30 Jane Austen and Her World. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Justice. 3.55 General Hospital. 4.25 Children's Film Matinee: "Tarzan The Magnificent."
5.50 News From ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 This Week.
8.30 Love Thy Neighbour.
9.00 Carry On Christmas.
10.00 News.
10.30 Take Two.
11.45 What The Papers Say.
12.00 The Great Celestial Soap Opera, with Malcolm Muggeridge.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 The Merrie Melodies Show. 5.20 Supersonic. 6.00 About Anglia. 6.20 Arena. 10.30 Time Was . . . 11.00 Orson Welles' Great Mysteries. 11.30 The Living Word.

ATV MIDLANDS

10.40 a.m. Survival. 11.05 Stock Car Racing from Hednesford. 1.20 p.m. ATV Newsdesk. 4.25 Feature Film: "Mr. Bug Goes To Town" (cartoon). 6.00 ATV Today. 7.00 Space 1999. 10.30 Feature Film: "Reflections In A Golden Eye." starring *Elizabeth Taylor and Marlon* Brando.

BORDER

10.35 a.m. Riptide. †1.20 p.m. Border News. 2.00 Women Only. 4.25 Lassie. 4.50 The Lone Ranger. 5.20 Supersonic. 6.00 Border News and Lookaround. 10.30 Movin' On. †11.25 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Skippy. 4.55 The Woody Woodpecker Show. 5.20 University Challenge. 6.00 Channel News. 6.10 Link-up. 10.30 The Thrillseekers. 11.00 Chopper One. 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. *Grampian News Headlines.* 2.00 Women Only. 4.25 Tarzan. 5.20 Supersonic. 6.00 Grampian Today. 7.00 Space 1999. 10.30 Sportscall. 11.10 Wild-life Theatre. 11.40 Evening Prayers.

GRANADA

9.30 a.m. Alphabet Soup. 9.55 Spider-man. 10.15 Last of the Quiet Islands. 11.05 Animated Classics. 11.45 Alister in Songland. 1.20 p.m. This is Your Right. 4.25 Tarzan. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Midweek Movie: "Guess Who's Been Sleeping in My Bed?" 10.30 Reports Action. 11.00 What the Papers Say. 11.20 Orson Welles Great Mysteries. 11.45 The Challenging Sea.

HTV

†10.15 a.m. "Good Morning, Boys," *starring Will Hay.* 1.20 p.m. *Report West Headlines.* 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Best in the West. 10.30 Gallery. †11.00 The Late Film: "The Secret Partner," starring Stewart Granger.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Ble Yn Byd . . . ? 4.50-5.20 King Kong. 6.01-6.18 Y Dydd. 6.35-7.05 Sport Arena. 10.30-11.0 Nails.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

11.00 a.m. Man and his World. 11.30 I Stopped, I Looked, I Listened. 1.25 p.m. Road and Weather Report. 4.25 The Flintstones. 4.50 The Adventures in Rainbow Country. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Adam's Rib. 7.00 Space 1999. 10.30 Maltamour. 11.00 Late Call. 11.05 Dilemma.

SOUTHERN

10.00 a.m. "Call Me Bwana." 1.20 p.m. Southern News. 2.00 Women Only. 4.25 The New Land. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day. 6.35 Survival. 10.30 Your Men at Westminster. 11.00 Griff. 12.00 Southern News Extra.

TYNE TEES

10.55 a.m. Starting Point. 11.00 Kiri the Clown. 11.05 Make A Wish. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 The Partridge Family. 5.20 Supersonic. 6.00 Today At Six. 10.30 Out of Town. 11.30 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Born Free. 5.20 Supersonic. 6.00 UTV Reports. 7.00 Space 1999. 10.30 Let's Play Bridge. 11.00 What's It All About?

WESTWARD

9.25 a.m. The Adventures of Seaspray. 9.50 Ivanhoe. 10.40 Riptide. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Skippy. 4.55 The Woody Woodpecker Show. 5.20 University Challenge. 6.00 Westward Diary. 10.30 Westward Report. 11.00 Chopper One. 11.27 Westward Late News. 11.30 West Country Job Finder. 11.35 Faith For Life.

YORKSHIRE

11.00 a.m. Koala. 11.20 Ticko. 11.40 Wind In The Wires. 1.20 p.m. Calendar News. 4.25 Lassie. 4.50 The Partridge Family. 5.20 *Supersonic.* 6.00 *Calendar.* 10.30 Emmerdale Farm. 11.25 The Odd Couple.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including the new Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Simon Bates (S) including 7.15 and 8.15 How Far Can You Go? 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 9.15, 10.15, 11.15 Christmas competition. 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including 12.15 p.m. and 1.15 Christmas competition. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pop Score. 7.30 Folk 75 (S). 8.02 Folkweave (S). 9.02 Wally Whyton's Country Club (S). 11.02 Sports Desk (1500m only, also 202m Scotland, VHF joins Radio 1). 11.06 Don Durbridge with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Palestrina (S). 9.40 Rootham Centenary Concert (S). 10.50 String Quartets (S). 11.30 Academy of the BBC part 1 (S). 12.15 p.m. Interval Reading. 12.20 Academy of the BBC part 2. 1.00 News. 1.05 Bradford Midday Concert. 2.00 Tamas Vasary piano recital, part 1: Schubert, Liszt (S). 3.00 In Short (talk by Eric Warr). 3.10 Tamas Vasary recital, part 2: Debussy, Chopin (S). 4.05 Vienna Festival 1975 concert (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: The Wider World. 7.30 Edwin Fischer, piano recital. 8.00 Live From The Royal Festival Hall part 1: Roussel, Elgar (S). 8.40 Jane Austen (reflections by Angus Wilson). 9.00 Concert part 2: Berlioz (S). 10.00 Death in Venice (reading). 10.45 London Music Digest (S). 11.25 News.

RADIO 4

434m, 330m, 285m and VHF
†Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers, 7.45 Thought for the Day, 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 If You Think You've Got Problems! 11.50 Sounds Puzzling. 12.00 News. 12.02 p.m. You And Yours. 12.27 My Word! (S). †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack De Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Just A Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 *Singing For Glory 1975 (S).* 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 *Downtown.* 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including 5.00 and 6.00 p.m. London News Desk. 7.00 In Town. 8.00 Why We Live In London. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 As Radio 2.

London Broadcasting

261m and 97.3 VHF

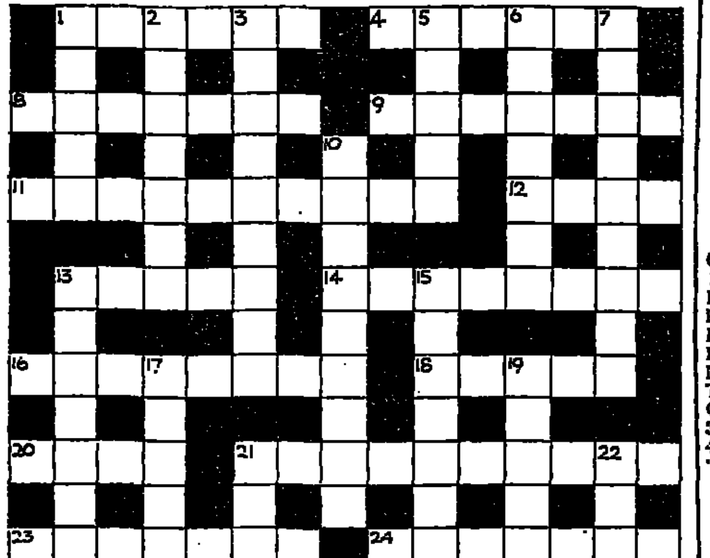
5.00 a.m. Morning Music. 6.00 "AM" breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. "Nightwatch" (news every half-hour).

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (Rock Show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

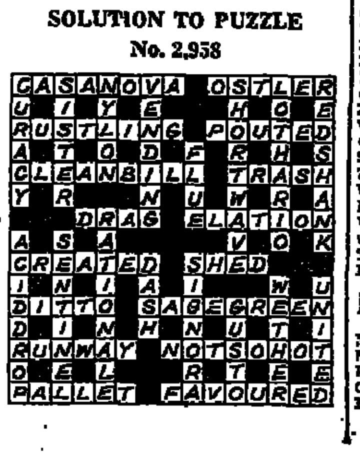
F.T. CROSSWORD PUZZLE No. 2,959



Across
1 Plant for the comparatively insane (6)
4 Ferryman gets on with Mrs. Mopp (6)
8 Approached under cover, risked about fifty (7)
9 A ball to look into at the Palace (7)
11 Never point—it could mean obstruction (10)
12 To repeat—it is entirely within (4)
13 Are you woman or mouse? (5)
14 He painted the Mona Lisa (8)
16 Corresponds to the Great Bear if you get cross with it (8)
18 Organises school classes (5)
20 A game that makes you answer smartly (4)
21 Proportion in dictator for summing up (10)
23 Bacchus has nearly everything for the party (7)
24 "Slow rises worth by —— depressed" (Johnson) (7)
25 The jockey sounds "county" (6)
26 Native of Troyes (6)

Down
1 Doctor brings up rubbish in the car (5)
2 Save the digger about one (7)
3 Algebraical rivers (3, 3, 3)
5 She changes case and gets on the wader (5)
6 Stone that gave the clue to hieroglyphics (7)
7 Caused by lunar and solar opposition (4, 5)
10 Underground workers include sick trimmers (9)
13 The bird gets William to make love (9)
15 Collection to present to a party member (9)
17 Modern dress recalls the towers of Ilium (7)
19 Retire to asylum (7)
21 The Head includes the right to talk (5)
22 Just a score take the wrong route (5)

SOLUTION TO PUZZLE No. 2,958



BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

aymarket

On Approval

by B. A. YOUNG

Frederick Lonsdale's airy comedy has been revived four times in the West End since it was first produced in 1927. Economy must be the motive in the current case, for although there are two pretty sets by ... Stone, there are only four characters; and the play seems ... out of touch with present-day practice.

There are two pairs of upper-class lovers, the impecunious and caddish Duke of Bristol who is loved by the rich young Helen, and the impecunious but decent Richard who loves the rich widow Maria. They decide, never mind how, to spend a month together in Maria's remote Scottish house to see how the several couples get on. There they get on one another's nerves in various ways that need not be followed in detail, until when time for the final curtain draws near there are lines like "I too have discovered in the past few hours that I am in love" and a final pairing-off is arranged.

Though the play is what they call a "sophisticated" comedy, Frank Hauser directs it as if it were a farce. It has been around the regions for some time, and the acting style has gelatinised. The lines come out not as conversational exchanges but as something more like recitations from the Oxford Book of English Prose.

Dukes, as two books this year have reminded us, come in 57 varieties. Edward Woodward doesn't seem very ducal to me, and it comes as no surprise when Lonsdale inserts some of his militant-democratic lines, even though they seem to prove only that a duke is no better than a profiteer. Edward Hardwicke plays his companion much more sympathetically, but then he has the social advantage of poverty, that is to say an income of £300 a year. (The date is 1927.)

Geraldine McEwan has let her mannerisms swamp what was evidently an attractively funny performance when it began. When Maria is angry, which is often, she stamps about like a Grenadier, her head thrust forward as a battering-ram. When she is ingratiating, she suggests a puppy standing on its hind legs. He voice blazes out with all the music of a bandsaw. Jennie Linden as Helen can be rich and nice at once because she comes of common stock, though there's nothing common about the way she plays; she might be an animated photo from the Tatler of the time.

I do like the sets, though, especially Helen's Mayfair drawing-room. Maria's Scottish drawing room suggested to me the lounge of a Scottish hotel, with its mounted heads and its array of heraldry borrowed no doubt from all the local nobility to make up for her not having any arms of her own.

Christopher Gable and Debbie Bowen in 'Beauty and the Beast' which opened last night at the Oxford Playhouse

heatre Royal, Stratford East

Nickleby and Me

by MICHAEL COVENEY

The Me of the title of this new adaptation of Dickens's hastily written, brilliant novel (the author wrote *Oliver Twist* simultaneously, and the first stage version hit the boards well before the final chapter hit the ...nds in 1840) is Mr. Vincent Crummles, in whose person and ...taggle company lives all the warmth, vivacity and poverty of ... pre-Victorian music-hall ...ge.

Ned Sherrin and Caryl Brahms ...e taken the book by the scruff of its binding (shaking thence ... Mantolinis, the Cheerbyles, ...n Browdie and Mr. Lillyvick, to name but a multitude) and presented the fortunes of Nicholas as matter for a series of melodramatic tableaux for the portrayal of the irascible old ...er, Arthur Gride.

The procedure is as convenient as it is obvious, neatly allowing ...er Bayliss as Crummles to embrace in his performance a ...d caricature of the appalling Squeers, master of Dotheboys Hall and (to appropriately lesser effect) the grubby aristocratic ...er Sir Mulberry Hawk. As a series of affectionately rendered interpretations of narrative episodes in period style it just about passes muster. As a contender for New British Musical, however, the evening is abjectly wan. Music by Ron Grainer is clever but unmemorable and errs seriously on the side of pastiche when it comes to dallying with our nauseating 20th century habit of diluting original doses of socialist ire for easy consumption; a chorus of cherubic Done Boys seem tardily hungover from Bart's *Oliver* as they lisp and warble round the treacly cauldron.

This is all a strange descent for the company that did such pleasant justice to Cranford; it is irritating to have to report that the company fail to keep in step at crucial ensemble moments and that one or two appear not to know the words they are expected to chant. Mr. Bayliss is all magnificent bluff and thunder and he receives coy support from Ann Beach as Mrs. Crummles (doubling as Mrs. Nickleby); sturdy, upright opposition from David Firth as Nicholas; and sly intervention from Trevor T. Smith as the knuckle-cracking but unsatisfactorily simplified Newman Noggs.

A lot of worthy effort has gone into the enterprise—there is, in addition, marvellous scenery by Tony Leah and excellent lighting by Ray Duffill—but the sum is unequal to the merit of various parts.

The Entertainment Guide is on Page 10

oung Vic Studio

The Architect and the Emperor of Assyria

by GARRY O'CONNOR

...rnando Arrabal's extravaganza for two men takes place on a desert island. The Architect is already stretched out wearing ...e else but a white loin cloth. The Emperor arrives after suitable sounds of catastrophe ...sed in a white space suit. ...re then begins, with little ...e of order, a succession of ...perate and obscene games. ...e threads disappear and reappear, such as the Emperor's ...rest in killing his mother, childish expressions of blasphemy (playwrights have been ...ng us since 1950 that God is ...l), the donning and throwing of female attire.

The sauce is strengthened, if ... exactly sweetened in the second half when the ceremonies the two young men go through ... into murder and cannibalism. The language ranges between the obscene and the ...er archly poetic. There are moments of relief when the Emperor supplies a passage or ... of genuine low-key biography. But I can't recommend it very strongly as a play. ...m Fywell's production ...tly assumes that with this, or ... other play by Arrabal, a strong visual idea is needed. What he and his designer David McHenry have provided is three trampoline structures stood on their ends, and three step-ladders for scaling. A tiny baby doll on a parachute dangles from the ceiling. The costumes, except for those which are actually black, maintain an overall effect of whiteness and light.

Apart from the needlessly athletic style most of the play is performed in by Dallas Adams and Albert Welling, the main impression I gain from Mr. Fywell's production is that he is more interested in exploring pop music than anti-Catholic ritual. When the Architect starts eating the Emperor's foot in accordance with the Emperor's dying wish, we cut to a black-out with "Time's waiting in the wings" blaring out over the palpitating loud-speakers. Passing time can surely be suggested more subtly than this. But rather like the daily cleaning lady, Mr. Fywell clings to his pop music, and hardly a few minutes pass in the relative silence of the text. One can only assume it reassures him, face to face with Arrabal.

Record Review

Preludes and Bagatelles

by DOMINIC GILL

Chopin: 24 Preludes op. 28. Maurizio Pollini. DGG 2530 550 (£3.25)

Chopin: 24 Preludes op. 28, 2 Preludes op. 45 and op. posth. Murray Perahia. CBS 76422 (£2.99)

Chopin: 24 Preludes op. 28, Berceuse op. 57. Alicia de Larrocha. Decca SXL 6733 (£3.25)

Beethoven: Bagatelles op. 33, op. 126. Glenn Gould. CBS 76424 (£2.99).

Beethoven: Bagatelles op. 33, op. 119, op. 126. Stephen Bishop. Philips 6500 930 (£3.10)

Listening to these three very distinguished new recordings of the complete Chopin Preludes has been an exhilarating experience. Pollini's performance, indeed, is quite simply an astonishing achievement which surpasses—in its authority, maturity and unfaltering grip—anything that he has produced before on disc. From the first bar to the last, the command and presence of the playing is beyond question. Nothing is left to chance: there is hardly a measure which contains a significant flaw, or betrays a passing weakness or hesitation.

It must seem pedantic even to set in cold print one or two reservations: an otherwise perfect account of the E minor Prelude no. 4 that gives way to the common cliché of allowing each bar to accelerate very slightly towards the middle and hold back at the close; a rather literal interpretation of the double-dotted snap in the E major no. 9, marginally irritating. The rest is masterly: a second Prelude very slow and grave, enclosed between the high-flying no. 1 and the delicately effervescent no. 3, a magical portent of shadows to come. A marvellous balance of voices, *sotto voce*, in the B minor no. 6; every grace-note cluster of no. 8 cut in crystal; each chord of the C minor *largo* superbly laid out and aligned. In the angrier Preludes, Pollini's playing has tremendous force: a whirlwind B flat minor *con fuoco*; shattering F minor *martellato* octaves; a final Prelude whose every semiquaver, in single notes, octaves or thirds, is delivered like a hammerblow, in icy fury. Very fine DGG sound, close and clear, disturbed by hardly a breath of tape or surface noise.

There is nothing in Perahia's Preludes as powerful as Pollini's No. 24 — nor either the same sense of overwhelming authority, nor the almost superhuman technical control. Yet I have the paradoxical suspicion—and until the shipwreck it will remain only a suspicion — that on my desert island Pollini's could be the version, for its very perfection, I might tire of first. Perahia's is at once the more wayward and unpredictable—and in an odd, insinuating way, at times also the more profoundly engaging. It is essentially absurd at such an exalted common level of achievement to play the game of picking "favourites." But Perahia's beautiful, lesser-scale performance has a human quality which Pollini's sometimes lacks; he captures, at his best, in some key Preludes, more precisely the gentle Chopinesque play of light and shade — that smile which Schumann called "shy, farouche," and which shines so winningly through the *vivace* of Perahia's B major No. 11; through the sad allegretto song of No. 17; through the detached dreaming counterpoint of No. 21 in B flat. There is life and pungency too in the fingers: fine C sharp minor and B flat minor sparkle. The sound quality is acceptable, though compared to DGG's, crude: occasional fades of atmosphere between Preludes, and one or two bad pre-echoes, I found distracting.

To turn last to Alicia de Larrocha—whose playing has the ease, poise, relaxation, and paradoxically again, the daring, which come only from years of absorption and experience—was a special delight. She does, because she can do, with style and care and keen perception, some outrageous things: but how well and convincing they sound! A G major *vivace* fast, light and laughing: an F sharp major *lento* whose sighing conversation of bass and soprano voices embraces extreme fluctuations of tempi without the slightest trace of self-consciousness or unease. At best—and there are very few weak spots, notably Nos. 16 and 17, which sound as if they might have been recorded outside the main session—her performances have greater poetical presence than either Pollini or Perahia. And greater wisdom: she takes the E minor *largo*, unlike Pollini, at an almost perfectly even pulse, rubato only where least expected. A welcome, valuable disc. One admittedly pedantic grudge: why does no pianist—not even Miss de Larrocha, who most nearly does—ever give the last semi-breve chord of the C minor Prelude its full value?

Glenn Gould's reading of Beethoven's op. 33 Bagatelles—early "trifles" dating from 1782-1802, many of them possibly overflows from early sonata sketches—is fresh, lyrical, unemphatic. Each piece is given characteristically close focus—every chord placed with purpose, every note exactly weighted. The playing has wonderful clarity, ideal precision of rhythm and phrasing: and yet such a clean, fastidious approach underestimates the music. In Bishop's hands it comes that much more vividly to life, a little less perfect, less obsessively packaged in sterile dressings—but more fully rounded, a whole world of gaiety, bounce, and red blood that Gould ignores.

Bishop also offers, as Gould does not in his fairly short full-priced recital, strong, sensitive accounts of the eleven op. 119 Bagatelles: and by contrast, an almost blessedly straightforward presentation—the sublime path of the music really calls for no manner of devious twists or turns—of the six Bagatelles op. 126. Gould's performance of these last is full of the maddest quirks of tempo, rhythm and emphasis; an other-worldly commentary on the score, the strangest exegesis, less Beethoven than Gould. I find it not as maddening perhaps as some will: nor without many passing beauties, illuminations. But it is doubtless a performance to be heard *after* Bishop's, not before.

Book Reviews appear on Page 16

Purcell Room

Herrick

by GILLIAN WIDDICOMBE

Tuesday's Bach recital began with a sign of the times. Shortly before the young harpsichordist emerged, the instrument's lid was opened with a dramatic flourish by its well-known (in the harpsichord world) owner Malcolm Russell. A stylish pastoral decoration was revealed—a happy 18th century gathering of trees, gentlefolk, and distant château—although the two manual instrument was made (by Clayson and Garrett) only last year. The boom in harpsichord making—particularly in the making of careful 18th century copies, like this one based on a 1740 two-manual Dulcken—now extends to a revival of the art of case decoration as well as goose quills.

The recital was the first of two devoted to Book I of the *Well-Tempered Clavier*, which Christopher Herrick is playing in published sequence. Tuesday he rose, by semitone through major and minor, from the sunshine of C major broken chords (which every child pianist knows backwards) to the tight, rich four-part fugue of the F minor, worthy in dexterity and tension of the same world as the early numbers in *The Art of Fugue*. (An accomplice added a bass octave to the final entry in this fugue, giving the recital a suitably grand ending.)

As a sort of interval, Mr. Herrick also played the *Italian Concerto* in the middle, where it sounded like a brilliant transposition of florid, restless string writing; and a different world. But the main reward of the evening was the variety within the preludes and fugues themselves. Particularly within the preludes: several like the sparkling D major with toccata-like two-part writing; then the aria-like E flat minor, and peculiar, improvisatory E flat major, and so on. Know them backwards, sideways, even in palindrome; yet the sequence remains a fascination. By no means was it purely a purist's evening.

Christopher Herrick played well. His musical style is more Tilney than Puyana: for example, the C major prelude was played gently, with particular care for sustained tone and expressive articulation; it sounded lute-like, as it should do. And throughout the evening Mr. Herrick's sensibilities included elegant, thoughtful characterisation of each prelude and fugue, according to the natural key colour, line and texture of each item. Fugues were well-structured, clear, fairly solid in tempo, but free from the theme-bashing encouraged by old-fashioned piano teachers.

The concerto was taken rather fast, with a fluent account of the Andante where many prefer mawkish melody. Only in the second encore, Handel's *Harmonious Blacksmith Variations*, did Mr. Herrick put the harpsichord through its paces, with colourful and contrasting registration. And rightly so.

Young composer wins £250 prize

Composer Michael Blake Watkins has won a £250 prize for a solo violin composition, which will be one of the test pieces in next year's Carl Flesch International Violin Competition in London. The work, entitled *The Wings of Night*, was the unanimous choice of judges Richard Rodney Bennett, Humphrey Searle, Martin Dalby and Yfrah Neaman. It will be premiered during stage one of the violin competition from July 9-15 during the biennial City of London Festival.

It is the first time a prize has been awarded for a composition to be included in the competition. It was donated by Carl F. Flesch, son of the artist and teacher in whose honour the competition was founded, and organised by the Society for the Promotion of New Music.

Scholarships for choreographers

The Royal Society of Arts, in association with the Leverhulme Trust, is to offer a scholarship for choreographers to the value of £1,400. Candidates must have been sponsored by a professional dance company operating in the U.K. The companies concerned will provide dancers to demonstrate the candidate's work. Ten candidates have been short-listed.

Short works by each will be performed at Sadler's Wells Theatre on Sunday, January 4, 1976, before a jury, headed by Sir Frederick Ashton, and an audience.

This is the first of a new series of awards.

Thracian art treasures in London

The exhibition *Thracian Treasures from Bulgaria* will open in the special exhibitions gallery at the British Museum on January 8 until March 28, 1976. The exhibition consists of exhibits from 35 Bulgarian museums, most of them never before seen in this country. The collection comprises mainly gold and silver objects ranging from the Bronze Age (about 3000 BC), to the early Roman Empire up to AD 300).

The exhibition is lent by the People's Republic of Bulgaria in accordance with a cultural agreement signed in 1974. Additional material is lent by the Ashmolean Museum, Oxford.

'Comedians' for West End

No Man's Land, with John Gielgud and Ralph Richardson, must end at Wyndham's on January 24 to make way on January 28 for the Nottingham Playhouse production of Trevor Griffiths's *Comedians*, with Jimmy Jewel, directed by Richard Eyre. This, like *No Man's Land*, is a transfer from the National Theatre's Old Vic repertoire.

Kenneth Cranham will play the part formerly taken by Jonathan Pryce.

Elizabeth Hall

Amadeus Quartet

by RONALD CRICHTON

Neither Mozart's early String Quintet in B flat (K 174) nor Beethoven's in C (op. 29) are repertory works. The Mozart is overshadowed by the much greater quintets he wrote later. Beethoven's is not calculated to make much of a splash as his only full-length work in the medium (the other being a transcription). Nevertheless, the Amadeus Quartet, with Cecil Aronowitz as the indispensable second viola, filled the Elizabeth Hall on Tuesday for a programme containing both these rarities and a Haydn quartet.

The Mozart is well worth hearing, and would no doubt turn up more often if it wasn't a kind of extravagance to waste any opportunity to hear the mature quintets—the Amadeus, having played them so often, have a clear conscience about them. K 174 was a Salzburg work written after the third journey to Italy and rewritten after the unsuccessful Viennese visit in the same year (1773), in both cases the spur and model being quintets by Michael Haydn. It is a generously planned work (and was played with generous warmth) with a long and lovely Adagio—both here and in the first movement the first viola is a rival to the first violin—was Mozart writing for himself?

Beethoven's quintet by contrast made a lukewarm effect, in spite of a promising opening theme whose potential grandeur is not fully realised. On paper the slow movement looks to be one of those endearing first period outbursts of instrumental floritura, but in performance is too long and diffuse to be convincing. The scherzo is an exercise in wispiness for which (though the trio has a delicious descending chromatic scale for the first violin, like a tipsy skylark) the adjectives "interesting" and dull prove virtually interchangeable. The most arresting movement, as the players conveyed, is the finale with its shivering first theme, curious combinations of two-four and six-eight, and two delightful minuet interpolations played with great panache by the leader of the quartet, Norbert Brainin.

In Haydn's last complete quartet, op. 77 No. 1, Mr. Brainin had played his capricious decorations in the Adagio (as florid as Beethoven's but much more striking) in a gusty sort of way, attacking the runs like someone blissfully waving a scarf. Haydn's minuet (marked *presto* and a scherzo if there ever was one) has so much volition of its own that it can do without the spurts to which it was subjected. The finale (how hard to believe that the composer of this vital, sinewy and intensely wide-awake music was an elderly and exhausted man), though Mr. Brainin had his harum-scarum moments, was spunky enough to make one sad at the loss of a repeat. Even so it didn't ensure that the best music of the evening had the most consistently fine performance.

'Plays and Players' theatre awards

The annual poll of London critics in Plays and Players gives the following results for the year ending mid-November 1975:

Best performance by an actor: John Gielgud in *No Man's Land*. By an actress: a tie, six votes each, between Helen Mirren in *Teeth 'n' Smiles* and *The Sea Gull* and Diana Rigg in *Phaedra Britannica*. Best new play: Simon Grey's *Otherwise Engaged*. Best new musical: *A Little Night Music*. Best actor in a supporting role: Dave King in *Teeth 'n' Smiles*; Actress: Anna Massey in *Heartbreak House*. Most promising new actor: Jonathan Pryce in *Comedians*; Actress: Lynne Miller in *City Sugar*. Best director: John Schlesinger for *Heartbreak House*; best designer: Michael Annals for the same.

Children's films at the Phoenix

There will be a season of Russian films for children at the Phoenix Theatre until January 15, two programmes daily at 5.0 p.m. and 7.30 p.m. Until January 10, there will also be programmes at 11 a.m. except on Tuesdays, Saturdays and Boxing Day. The films, which have English dialogue, are *The Snow Queen*, *Robinson Crusoe*, *Treasure Island*, *Island in the Snow* and *The Merry Musketeers*.

At 2 p.m. and, on Tuesdays and Saturdays, at 11 a.m., the Phoenix has *Winnie-the-Pooh*.

Theatres Trust Bill in the Commons

Following an appeal sent by the Save London Theatres campaign to the 20 MPs who were successful in the ballot of Private Members' Bills, David Crouch, MP for Canterbury, has agreed to devote his Bill to this topic.

His Bill, entitled "A Theatres Trust Bill," is to propose the setting up of a Theatres Trust. It is an all-Party Bill and will be presented in Parliament later in January.

WORLD TRADE NEWS

Japan's foreign investment fell 30% in 1974/75

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

JAPANESE DIRECT private investment abroad fell sharply, by £1.1bn. or by more than 30 per cent., in the fiscal year to March, 1975, according to official figures.

The Japan External Trade Organisation said in a White Paper that private investment in fiscal year 1974 was $2.39bn., compared with $3.49bn. in fiscal 1973. Geographically, there was a fall in private investment in every area of the world, including the Middle East.

The organisation gave four main reasons for the decline:

1—Tight money policies in Japan meant that companies had less resources to invest abroad.

2—Uncertainties in the economic outlook, both at home and abroad, made companies hold back.

3—The Government removed real estate and service industries from the list of those qualifying for foreign currency loans.

4—A number of potential recipient countries tightened their foreign currency regulations.

There was a major distinction, however, between investments in manufacturing industry and in development of natural resources. The latter form increased by 31 per cent. to a total of $797m. Countries such as Indonesia and Peru were among those where there was a large increase in Japanese investment.

Planned Japanese investments in Indonesia more than doubled last year to $1bn., according to Indonesian figures. But that was more than offset by a 41 per cent. decline in manufacturing investment to $879m. Nations such as South Korea, Singapore, Thailand and Brazil, which have received a lot of Japanese private money recently, figured largely in the fall.

The number of foreign private investments also fell in the 1974 fiscal year, by 38 per cent. to 1,911.

Several developing Asian countries, meanwhile have reported sharp falls in the plans of foreign countries to invest in them. Foreign investment in Taiwan in the first 11 months of this year fell by 25 per cent. to about $66m.

South Korea has said that a number of foreign concerns had cancelled their plans to invest because of the change in the economic climate since the 1973 oil price rise. The value of the cancellations was $66m. in 1974 and $52m. in the first half of this year. Only $8m. worth of the cancelled projects this year have been taken up by local investors.

The three South East Asian nations; Malaysia, Singapore and Thailand have all reported sharp falls in foreign investment approvals.

JAPAN'S OVERSEAS INVESTMENT

	fiscal 1974	fiscal 1973	$m. Cum. to fiscal 1974
N. America	550	914	3,011
Cent., S. Amer.	699	822	2,510
Asia	731	1,001	3,122
Europe	189	338	2,186
Near, Mid. East	64	110	780
Africa	55	106	309
Oceania	108	208	748
TOTAL	2,396	3,497	12,666

Source: Japan External Trade Organisation.

Japan's S. Korea surplus

SEOUL, Dec. 17.

JAPAN TOPPED South Korea by nearly $4bn. in their trade and other economic relations over the past ten years, Government statistics show.

During the decade, Japan supplied Korea with $2.3bn., including grant type aid, Government and commercial loans, and direct investment. However, Japan had a trade surplus of $6.28bn. with Korea during the period, in which their trade grew rapidly.

Korean exports to Japan rose from $44m. in 1965 to $1.380bn. in 1974, while imports from Japan jumped from $167m. to $2.621bn.

Japanese loans, both Government and commercial, amounted to $1.395bn., or 21 per cent. of total foreign loans. Japanese equity investment in Korea since 1965 totalled $541m., accounting for 62 per cent. of total foreign equity investment in Korea. The U.S. was second with $202m. since 1962.

AD-DJ

Indo-French co-operation plans

BY K. K. SHARMA

NEW DELHI, Dec. 17.

THE VISITING French Foreign Trade Minister, M. Nobert Segard has welcomed an Indian suggestion for raising the status of the existing Indo-French joint commission and the proposals for a co-operation idea that the two in establishing joint ventures in third countries.

At a meeting with India's Commerce Minister, Mr. D. P. Chattopadhyaya a proposal for joint ventures in the Persian Gulf countries was discussed. This envisages a combination of Indian trained manpower and equipment and French finance and technology.

Mr. Chattopadhyaya also offered France a long term deal for the supply of iron ore to the French steel authority on the same basis as has been agreed with Japan and Iran. The Indian Minister said that developing countries such as his preferred expansion of trade with the affluent nations instead of increased aid. This would help them to tackle the balance of payments problems resulting from the oil crisis.

Mr. Chattopadhyaya said that French public sector units such as the railways could buy products from their Indian counterparts and he urged the EEC in general, and France in particular, to extend to India the special facilities offered to the ACPs under the Lome Convention.

Trade between India and France has risen from Rs.520m. (£28m.) in 1970 both ways to the Rs.4bn. (£221m.) expected this year.

The two countries now have about 200 technological agreements covering a wide range of sophisticated industries. France ranks seventh among India's trading partners.

Our Calcutta correspondent adds: The West Bengal Government is seeking a loan of $200m. from the World Bank to finance some of its greater Calcutta urban development schemes and a number of agricultural development projects it has set up in selected centres.

According to a memorandum submitted to the World Bank the projects for which new World Bank assistance is being sought will take three to four years to complete.

Chief secretary Mr. B. R. Gupta is hopeful that West Bengal's application will be considered by the bank sympathetically. The World Bank has already given a loan of $35m. for Calcutta's metropolitan development and another $35m. for the improvement of the State's agriculture.

Caricom safety net

By David Renwick

PORT OF SPAIN, Dec. 17.

HEADS OF Government of the Caribbean Community and Common Market (Caricom) have agreed to establish a new regional financial safety net to assist one another in times of severe balance of payments crisis. This is one of the key decisions to emerge from the tenth Caricom summit conference which has just ended in Basseterre, the capital of St. Kitts.

The plan comes against the background of a worsening current account deficit situation in all the Caricom territories with the sole exception of Trinidad and Tobago. The current account deficit of three of the four more-developed Caricom countries, Jamaica, Barbados and Guyana is expected to be as high as $Trin.750m. (£156m.) next year. If the eight less-developed territories are added the current deficit could top $Trin.1bn. (£208m.).

A working party of officials from the central banks of Trinidad and Tobago, Jamaica, Barbados, Guyana and the Eastern Caribbean Currency Authority has been set up to prepare a detailed study of the financial safety net as well as an expanded intra-regional clearing scheme. It is expected that the present level of $Trin.5.5m. (£1.15m.)—1 per cent. of intra-regional trade—allowed under existing clearing bank arrangements will be substantially increased to facilitate the expected rise in trade next year.

The heads of Government hope the two schemes can be put into effect from May 1, 1976

U.S. group in Israeli oil search

By L. Daniel

TEL AVIV, Dec. 17.

A GROUP of oilmen from Texas intends to invest some £7m. in prospecting for oil in Israel, and has already established a connection with Jordan Exploration, an Israeli company holding various prospecting licences. Israel Corporation also has a 2.5 per cent. stake in the new group.

Teams of geologists have been here for some time to conduct seismic surveys and it is expected that the first wells will be drilled within 6-8 months According to the terms of the agreement with the Israel Government, the latter will be entitled to 12.5 per cent. of the oil produced (at then current prices) if any oil is found.

Following the return of the Abu Rudeis Oilfields to Egypt, the Israeli Government is not only encouraging prospecting both in Israel but also at A-Tur, on the west coast of Sinai, in that part not returnable to Egypt under the second interim agreement.

At the same time, the Government is trying to diversify its overseas sources of crude oil so as to avoid dependence on any one supplier or any one route. Reuter

Soviet steel contracts

By Dominick J. Coyle

ROME, Dec. 17.

FINSIDER, PART of the state IRI group, is to supply the Soviet Union with some 700,000 tons of large diameter steel pipes in a deal worth $400m. Supplies will come from Italsider's Taranto steel plant.

The contract is part of a five-year agreement with the Soviet Union signed last year for the supply of steel pipes in exchange for Italian imports of coal, iron ore and scrap iron.

Further Finsider contracts with the USSR next year will cover high quality pipes for the Soviet oil, chemical and petrochemical sectors and will be supplied from the groups' Dalmine Zjinmtrni steel plants. The value of the 1976 contract has not been disclosed, but is expected to be in excess of $400m.

● Meanwhile Reuter reports that Tokyo Nippon Steel has received an inquiry from the Soviet Union to purchase 400,000 to 500,000 tonnes of 56-inch diameter steel pipes for natural gas pipelin construction. Nippon said the Soviet Union wanted to obtain Japanese bank loans to finance the imports, although the amount sought was not yet clear.

The company added that it hopes to win the contract in co-operation with other Japanese steel mills, as the deal would be the biggest since the Japanese steel industry contracted to export 1m. tonnes of pipes for Alaska pipeline construction several years ago.

Reuter

Hungary sees 50% rise in Soviet trade

BUDAPEST, Dec. 17.

TRADE BETWEEN the Soviet Union and Hungary in the 1976-1980 period will reach Rubles 15bn. (about $17bn.), Hungarian Foreign Trade Minister Jozsef Biro said.

An exact figure was not disclosed but Mr. Biro said trade will be some 50 per cent. higher in 1976-80 than in the 1971-75 period, when the trade figure was put at Rubles 9.3bn. (about $11bn.).

Main Hungarian exports over the five years would include buses, portal cranes, floating cranes, food processing and chemical industry machinery, shoes, large consignments of ready-made clothes, knitwear, meat, canned foodstuffs, fruit and wine.

Imports will include motor cars, heavy-duty trucks, 35.3m. tons of crude oil, 6m. tons of oil derivatives, 9.4bn. cubic metres of natural gas, iron ore and coke, and "a wide range of consumer goods."

AP-DJ

AMERICAN NEWS

U.S. companies probed for 'Arab boycott' violations

BY DAVID BELL

WASHINGTON, Dec. 17.

THE JUSTICE Department is now in the middle of an investigation of a number of major U.S. companies to see if their compliance with the terms of the Arab boycott of Israel is in breach of anti-trust regulations.

The Department refuses to name the companies or to say when the investigation—which could have far reaching consequencies for American policy in the middle East—will end. But it is understood that the Department is concerned that some American companies may have been "freezing out" others with interests in Israel. In particular, some companies may have been deliberately not giving some U.S. companies with interests in Israel the opportunity to tender for sub-contracts or to join consortia.

There have been persistent reports in the last few weeks that a major U.S. construction company is about to be prosecuted under the Sheman anti-trust act and that the indictment is being held up only because of pressure from the State Department. But the Justice Department apparently believes that it has the support of the President who last month made a swingeing attack on the boycott. There are those who believe, however, that the Administration is merely trying to ease Israeli pressure and that it will stop well short of approving any action that would harm long-term U.S. business interests in the Middle East.

Under the law as it now stands American companies are allowed to reply to Arab Boycott Office requests for information about their activities in Israel or the origin of their products, even though the boycott is officially against U.S. policy.

But there are at least two Bills now before Congress which seek to make even answering boycott requests against the law. The Export Administration Act of 1969, which has only been strictly enforced since October 1, requires companies to notify the Commerce Department every time they deal with the Boycott Office and there have been some 55,000 such registered dealings since 1965.

It was the Department's refusal to make public which companies were answering the boycott requests that prompted a House sub-Comittee to cite the outgoing Commerce Secretary for contempt of Congress. That dispute has now been resolved by the production of some of these names in secret.

But both the Commerce Department and the State Department are very concerned about the effect that the measures now before Congress would have both on U.S. trade with the lucrative Arab market and on U.S. foreign policy.

Pentagon offers Awacs to Iran

BY GUY DE JONQUIERES

NEW YORK, Dec. 17.

THE PENTAGON is trying to sell Iran ten of its most advanced radar surveillance aircraft—but at a price that is reported to be substantially higher than that at which the aircraft is being offered to the European members of Nato.

According to the New York Times, the Pentagon is quoting a price of $187m. to Iran for each of the aircraft. If its offer is accepted, the deal would be among the largest military supply contracts reached between the U.S. and the Iranian Government.

The aircraft is known as Awacs, or "Airborne warning and control system." Based on a Boeing 707 transport, the Awacs is equipped with highly sophisticated electronics and communications equipment enabling it to track enemy aircraft and to serve as a mobile command post for defending planes during an aerial battle.

The Awacs is being offered to the European Nato members at a price of about $80m. each This is considered a "bargain" price, because the Pentagon estimates that the true cost of each aicraft is close to $120m.

The package proposed to the Iranians includes training and support equipment not being offered to the Europeans. But the price is still high enough to allow the Pentagon to recover some of the research costs involved in the development of the Awacs—about $20m. per aircraft, according to the New York Times.

A further reason why the Pentagon is eager to win a supply contract from the Iranians is that this would enable it to keep the Awacs production line open while the European Nato Governments decide whether or not they want to purchase the aircraft.

Iran has apparently not responded formally to the Pentagon's proposals. But some reports suggest that it may be leaning towards a simpler and less costly air surveillance aircraft. One alternative being mentioned is the Grumman Hawkeye, which costs about $26m., though it has not so far been offered to Iran by the Pentagon.

Election date for Argentina

By Robert Lindley

BUENOS AIRES, Dec. 17.

THE PRESIDENCY to-day announced October 17—Peronist "loyalty day"—next year as the date of the next general elections, originally scheduled for early 1977.

May 25, 1977, however, remains as Inauguration Day, and the scheduled seven-month period between the two dates seems to emphasise the desperation of the Government—besieged by strife within the Peronist Party, guerilla action and economic setbacks—in advancing the election date.

Sentence on Fromme due

SAN FRANCISCO, Dec. 17.

TWO WOMEN convicted in separate Californian trials of trying to kill President Ford face possible life imprisonment—and one of them, 27-year-old Lynette "Squeaky" Fromme, is due to be sentenced to-day.

A jury in Sacramento last month found Miss Fromme guilty of attempted assassination after she pointed a loaded, but uncocked, pistol at Mr. Ford when he visited the state Capitol building on Septmber 5.

Yesterday, Sara Jane Moore (45), was convicted of the same offence here

Reuter

Congress vote on tax cut Bill

By David Bell

WASHINGTON, Dec. 17.

CONGRESS, WHICH last night unexpectedly put off a vote on the Tax Bill until to-day, is expected to send the measure to President Ford this afternoon.

He is expected in his turn to veto it and send it back to Congress which will then have to see if it has the votes to override the veto. The Senate can almost certainly strike down the veto, but it became clear last night that there may not be enough votes in the House.

The Bill would continue the current $6.5bn. tax cut for another six months

Payments surplus in third quarter

By Jurek Martin, U.S. Edito

WASHINGTON, Dec. 1

THE AMERICAN balance payments on current acc and long term capital sho a healthy surplus for second consecutive qua rising to $1.6bn. in the t quarter from the revised $ surplus in the previous t months.

There was, in fact, a v substantial downward revi of the original publis second quarter figures, fr surplus of $1.6bn. to $ This was, the Comm Department explained, du abnormally large changes data on the direct investm account and on non-bank tr actions.

The balance of payments plus on current acc (excluding long term cap flows) declined to $3.5bn. f a revised $3.8bn. in the sec quarter.

In the April-June period current account surplus virtually doubled from first three months of the y largely as a result of a fall in raw material imp brought on by the recessio the U.S.

However, the recovery in domestic economy that apparent in the third qua prompted a larger rise imports than exports, with result that the merchan trade surplus fell to $2bn. fr a revised $3.4bn. in the p vious period.

The payments figures leased to-day, covering curr account and long term capi are generally known as "basic" balance. Their ac racy, however, is be increasingly called into qu tion here, largely because w the onset of floating excha rates the data on capital flows no longer provides accurate guide to fore reserve movements.

Already a Federal advis committee, apparently s ported by both the Fede Reserve Board and the Tr sury Department, has come the conclusion that bottom l statistics on the balance payments are meaningless misleading and is about recommend that they no lon be published.

Meanwhile, in anoth report, the Commerce Dep ment said that the perso income of Americans increa by less than one per cent. November, a marginal provement on revised Octo figures but only half the r of increase shown in b August and September wh optimism about the strength the economic recovery w more prevalent.

Brazilian President likely to visit Britain next yea

BY HUGH O'SHAUGHNESSY

GENERAL ERNESTO GEISEL, the Brazilian President, is expected to visit Britain next year, according to the Foreign and Commonwealth Office. It is expected in the City that the visit will coincide with a major fund-raising effort for the $5.5bn. Itaipú hydroelectric scheme, one of the world's largest civil engineering works.

The details of the visit, and in particular whether it will be an official or state occasion, will be among the topics to be discussed in Brazil by Mr. Ted Rowlands, the junior FCO Minister in charge of relations with Latin America, who is to visit Brasilia and Caracas next month.

The Brazilians are in the throes of arranging several billion dollars worth of finance for the scheme on the Paraná River which is to be a joint Brazilian-Paraguayan scheme

It is expected that the first loan, for perhaps $250m., will be launched in the Eurodollar market in the next few months. The first contracts for foreign-made capital goods should be placed by the end of next year.

The Soviets are seen as front runners for the supply of the giant turbines needed for the 18 generators. They are reported to be offering turbines for payment over 14 years with a six-year grace period at 4½ per cent. interest. Brazil is hoping to offset the purchase price of the Russian equipment with greatly increased exports of manufactures to the USSR, over and above the traditional exports of coffee. Any such arrangement would be enshrined in a new Russo-Brazilian trade agreement.

Two Western consortia are bidding for the complementary works covering transmission lines and transformers. The Western European - Canadian group includes, among others, Balfour Beatty, Brown Boveri, Siemens, and CGE of Fra The U.S. group comprises Chalmers and Westinghouse. Japanese group has also so participation but it is thought to stand much ch of success.

The Itaipú scheme is seen the Brazilian Government absolutely crucial to the fu industrial development of Br Its final output, some 13,000 or more than Brazil's electrical generating capacit 1972, cannot be made up veniently any other way officials are resigned to the that international borrowing be increasingly costly.

THE BRAZILIAN ECONOMY

Not so miraculous

BY SUE BRANFORD, SAO PAULO CORRESPONDENT

A NEW CLIMATE of pessimism—or "economic realism" as it is called—has spread over Sao Paulo, Brazil's bustling industrial capital.

"We are in the middle of the most crucial phase that the country has passed through in the last eight years, with the Government making highly important changes in the country's overall economic policies," was how one Sao Paulo businessman described the present situation. "Next year we shall have to run as fast as we can to keep in the same spot—to make the economy grow as quickly as the population is expanding."

Present talk of a possible zero growth rate next year contrasts sharply with the climate of optimism which prevailed until recently among the business community accustomed to the GNP growth rates of 9 per cent. or more which that country had chalked up since 1969. Now, however, the prospect of a serious economic recession is being taken very seriously. Another businessman joked: "Why do we Brazilians have to do every thing late? We're even beginning our recession while the rest of the world is getting over their's."

Announcement

In part, this change of mood has stemmed from the tone adopted by the Ministers of Planning and Economy in the announcement of 12 economic measures at the beginning of the month. "The main aim of economic policy-making over the next few years will be to put the payments situation in order." Even growth rates will have to take second place for the time being.

It is not difficult to understand the reason for this concern. During the first ten months of the year, exports were worth $7.2bn. and imports $10.3bn. Despite the numerous tax incentives provided by the Government to exporters of manufactured goods, over half of export earnings still come from four primary products: soya, sugar, coffee, and iron ore. As prospects for these products are not good, Brazil is likely to finish the year with a trade gap of $4bn. (imports $12.6bn. and exports $8.6 bn.

Imports are proving difficult to curb, despite a whole series of increasingly rigorous measures adopted by the Government this year. The largest single item is equipment and machinery, which cost $2.7bn. during the first ten months, followed by $2.6bn. for oil. Prospects for self-sufficiency in oil still seem very remote, despite the hopes created last year by the discovery of off-shore oil near Rio and the decision this October to break the state monopoly, allowing foreign companies to operate in the sector. Domestic production, which is slightly below that of last year, still supplies only about one-fifth of domestic requirements. Even if the optimistic official predictions are fulfilled, it will reach no more than 40 per cent. by 1980.

With a predicted deficit of $3.4bn. for invisibles (interest on foreign debt, freight, tourism, etc.), the current account is likely to be $7.4bn. in deficit by the end of the year. That would be even more than last year's $7.1bn., the highest yet, which was dubbed as "atypical" by Government officials at the time. Indeed, Sr. Mario Henrique Simonsen, Minister of the Economy, said in February: "Last year's deficit was acceptable for a single, transitional year, but for no more than that. . . . We must reduce the deficit considerably this year so that we shall not be forced to adopt shock treatment in 1976 and 1977."

The repetition of the "atypical" performance this year is leading to a rapid growth in the foreign debt, from $12.9bn. in 1973 to $17.3bn. in 1974 to an estimated $21.5bn. now. It has been accompanied by a serious fall in foreign reserves, from $6.4bn. in 1973, to $5.3bn. in 1974, to an estimated $3bn. now.

In view of its failure to control the disease with homeophathic doses, the Government has apparently decided that the moment has come for something stronger. The first injection was the series of measures announced at the beginning of the month, imposing rigorous restrictions on imports, including those of machinery and equipment.

Objective

The objective is to cut imports by 20 per cent. next year, so that the trade gap falls to $1bn.

It is widely felt that the measures may prove inadequate and that they may have to be backed by even stronger policies, possibly including heavier devaluation than foreseen under the present "crawling peg" policy. Indeed, Sao Paulo's exports were down by almost half in October, to $180m. as compared with $345m. last year, and it is thought that some manufacturers might be holding on to their stocks to take advantage of the more favourable exchange rate after such a devaluation.

British commercial links with Brazil have suffered a serious setback from the new measures. Britain ranks seventh ar Brazil's trading partners, ex ing $165m. during the first of this year. As a large pa these exports are made u machinery and equipment, senior British trader remarked despondently: might as well pack up an home." The best prospect Britain in the future will c lie in the setting up of plan the country, particularly ir form of joint ventures Brazilian companies.

The present difficulties indeed create problems fo countries wishing to inc exports to Brazil for they strengthening the hand of members of the Government believe that radical ch rather than emergency mea are required. These off argue that the present emp on exports as the mainsprin growth is mistaken and sustained, solid developmen only be attained with the e sion of Brazil's huge, pot domestic market and the i poration into it of the Brazilians who still su practically outside the n economy. This view is he a small minority in the Go ment but its voice is being l with growing frequency.

● The Trade is here—see Back Pa

OVERSEAS NEWS

Japanese industry still in 'extremely serious' situation

BY PETER DUMINY, TOKYO CORRESPONDENT

TOKYO, Dec. 17.

ALTHOUGH Japan's main economic indicators have shown a very slight improvement during the past few months, actual conditions in most industries and in the labour market remain "extremely serious," according to a senior official of the Ministry of International Trade and Industry who briefed foreign journalists on the economy to-day.

Mr. T. Hashimoto, director-general of the Bureau of International Trade Policy, said MITI was concerned about the rate of bankruptcies, which reached 1,278 cases in October and 1,317 in November, the two highest figures in Japan's post-war history.

He noted that bankruptcy cases were increasing in size and spreading out of the wholesaling and retailing sectors, where they had previously been common, into manufacturing.

The unemployment situation also appeared to be getting worse with particularly poor prospects for the recruitment of university and high school graduates when the current Japanese academic year ends next March.

Mr. Hashimoto said the number of newly-graduated university students finding jobs this year would be an estimated 46 per cent. of last year's level, while the proportion of successful job seekers among high school graduates would be 59 per cent. compared with a year ago.

Until spring, 1974, it was taken for granted that virtually the entire crop of each year's university graduates would be able to find jobs.

Discussing situations in individual industries, Mr. Hashimoto said most of those concerned with raw materials or production of capital goods were in a very serious state, although some consumer industries (electric appliances and cars) were recovering.

He estimated a 10 to 20 per cent. labour surplus in industries such as cement (which is operating a recession cartel), machine tools and steel bars (where voluntary production curbs are in force).

MITI's view is that the Japanese Government "has to take effective steps" to produce a more rapid economic recovery, either through the introduction of a fifth reflationary package, or by incorporating extra government spending in the 1976 budget under consideration at the Finance Ministry.

The Finance Ministry is expected to hold down the increase in this year's budget because of its preoccupation with the problems of deficit financing.

Preliminary estimates suggest that the main budget will be 13 per cent. larger than a year ago, one of the smallest year-to-year increases in recent Japanese history.

The budget will, however, concentrate expenditure heavily on public works spending at the cost of economically "neutral" expenditure on health and welfare.

U.S. envoy arrives in Damascus

By Louis Fares

DAMASCUS, Dec. 17.

U.S. UNDER-Secretary of State Alfred Atherton arrived here to-day starting a tour in the Middle East that will take him to Syria, Jordan, Saudi Arabia, Egypt and Israel. Upon arrival Mr. Atherton insisted to reporters that he was "not carrying any new ideas for the settlement of the Middle East conflict."

Syrian officials, however, remained silent as to the nature of the talks that Mr. Atherton conducted for more than two hours with the Syrian Deputy Premier and Foreign Minister, Abdul-Halim Khaddam.

Observers in the Syrian capital believe that the real purpose of Mr. Atherton's visit is to assess Syrian—and possibly Palestinian—intentions as to the debate on the Middle East due to take place at the UN Security Council on January 12. It is recalled here that the U.S. had voted for the resolution calling for this debate. Mr. Atherton was due late to-day to meet Syrian President Hafez Assad and was thought very likely to suggest Mr. Assad shows some "moderation" during the debate in order not to cause embarrassment to the U.S. Administration.

Other diplomats here think that Mr. Atherton will ask Mr. Assad if he is interested in another interim agreement with Israel, more or less along the lines of the Sinai accord between Egypt and Israel. But Syrian sources insist that Syria will "never be interested in such a deal."

THE SAHARAN CONFLICT

Algeria pins the blame on King Hassan

BY EIRENE FURNESS

ALGIERS, Dec. 17.

MEMBERS OF THE Sahara Djemaa, the assembly formed under Spanish rule, alleged in Algiers to-night that the Saharan town of Smara was being sacked by Moroccan troops.

In the extreme south of the Saharan territory, the Algerian news agency has reported clashes at La Guera between Mauritanian troops and the Polisario Front, which is Algerian-backed and which opposes the decision, agreed to by Spain, to carve up the Spanish Sahara between Morocco and Mauritania.

Algeria has strongly denied Moroccan Press reports that Algeria is now directly involved in the fighting and that it has used naval launches to land men and equipment to aid the Polisario at La Guera. But officials in the Boumedienne regime say privately that Algeria is militarily ready for any eventuality. The Algerian Government does not appear to be whipping up sentiment for war, but the people are clearly being prepared for the possibility.

From the northern section of the Spanish Sahara, from Saguiet el Hamra, refugees are pouring into Tindouf, the nearest Algerian town, 100 miles from the frontier by desert trail. A United Nations commission on refugees is visiting Tindouf to see for itself.

Morocco claims that its take-over from Spain, under a tripartite agreement between Spain, Morocco, and Mauretania to carve up the Spanish Sahara, is going on peacefully and denounced as "a lie" information sent out by the Polisario forces that they have retaken most of the holy city of Smara, after bitter fighting. The Algerians claim that Colonel Dlimi, Commander of the Moroccan Palace Guard, is leading the Moroccan military operations in the Spanish Sahara.

From Algiers, it seems that fighting is going on in the Saharan "Far West" between the fiercely independent Reguibats, the so-called "blue men," lords of the western Sahara from the 4th century to European colonisation in 1884, and units of the Moroccan regular army, armed with modern weapons.

Algeria, which would prefer to see a friendly, independent state in the former Spanish Sahara, rather than an expanded Moroccan empire, is giving massive support to the Polisario.

A majority of the Saharan Assembly the 102-member Djemaa, a council of elders appointed by the Spanish Government to take charge of local administration, have rallied to the Polisario, dissolved the Djemaa and formed a Provisional National Council. 138 of them have been exhibited in Algiers in their blue robes and turbans. After giving a Press conference, they then flew back to joint the guerilla forces.

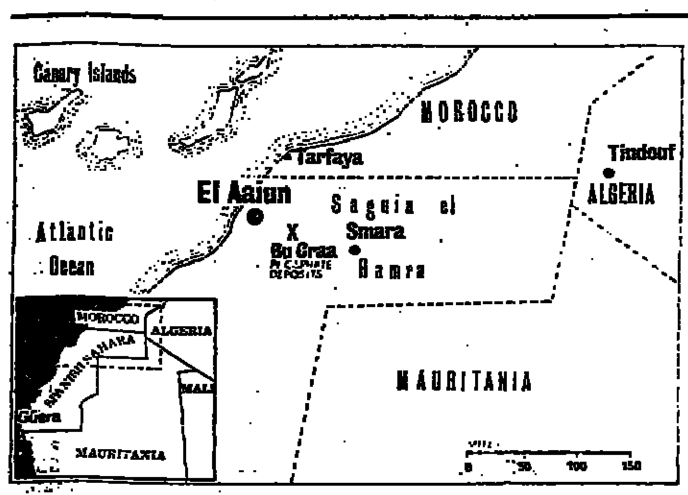
Mr. Khetri Sidmou Abderrahmane, the Djemaa member representing the Cheikhs or tribal leaders, Mr. Jouli Djana, member of the Spanish Cortes, and Mr. Zroug Ould Joumani, Djemaa member, said that "for us it is independence, or perish by genocide. Let it never be said that we, who are considered the wisest, were the last to take up arms. We come to fight, not to talk."

Morocco has won the first round since its troops have taken over from Spanish troops in all important towns and a Moroccan administration is being installed. Spain will retain a 35 per cent. interest in the Bou Craa phosphate deposits. Spanish workers at Bou Craa have been evacuated to the Canary Islands. Although the Algerians believe their position to be legally unassailable, it is singularly unpopular in the Arab world. Among Arab countries only Syria, Libya and Yemen voted for the Algerian sponsored UN resolution, calling for a referendum of the Sahraoui people to decide their future under UN auspices. Although the resolution was passed by 88 votes and 42 abstentions, the United Nations is not rushing into action and has been accused of foot dragging by the Algerian Press.

Algeria is stepping up its propaganda campaign against Mauritania, Morocco and Spain. Mass meetings in support of Polisario have been called all over the country. The "Voice of Free Sahara" broadcasts every evening over Algiers radio. It reports fighting, gives names of Moroccan army casualties or captured and calls for the overthrow of all three regimes.

Algeria is bitter about the Mauritanian President's turncoat policy, since by supporting Morocco against Algeria, Mokhtar Ould Daddah is biting the hand that fed him and kept Mauritania viable during some difficult years.

Will the tension in the area blow up into war between Algeria and Morocco? Some observers are dubious, and expect it to resolve itself with a couple of "incidents" and a grand reconciliation scene at the expense of the Saharan nomads.



MADRID, Dec. 17.

FIGHTING continued to-day in the extreme south of the Western Sahara between Algerian-backed guerillas of the Polisario Front and Mauritanian troops, Spanish military sources said. The sources in the Saharan capital of El Aiun, contacted by telephone, sa'd the Mauritanians had launched their first attacks against the frontier town of La Guera two days ago, but so far they had been held off by the guerillas. La Guera, situated on a strategic peninsula that faces Mauritania's principal harbour, Port Etienne, was occupied by the Polisario last month when the Spanish garrison withdrew.
Reuter

New Australian rules for loan offers

CANBERRA, Dec. 17.

USTRALIA'S new Liberal-ational Country Party coalition -night announced strict guide-nes governing unsolicited loan fers made to the Government.

In a statement here, Treasurer hillip Lynch said the guide-nes would be rigidly enforced id apply immediately. They ere designed to avoid any pos-ble repetition of the former abor Government's experience i the loans field, he said.

Labor's attempts to raise a etrodollar loan of $U.S.4.6bn. arough unconventional sources as a major factor in the poli-ical crisis that led to its ismissal by Governor-General Sir John Kerr last month after the coalition blocked its budget in the Senate.

The guidelines state that any unsolicited offer of loan funds to the Australian Government will be automatically rejected unless it complies strictly with certain procedures. The principal lender or lenders must be identified in Parliament. No authority will be given for any person apart from the principal to act on the Government's behalf in any negotiations. Full details of the commission or other payments sought by the offerer will be required.
Reuter

Offshore control ruling

SYDNEY, Dec. 17

HE FULL High Court of ustralia ruled that the Federal eas and Submerged Lands Act, 973, is valid legislation. All six ates had challenged the validity the Act, which gives the Com-onwealth sovereignty over the ustralian territorial sea, its air ace, sea bed, subsoil and the ntinental shelf.

The states had jointly argued it the imperial sovereignty 'en to them over their land ss carried with it sovereignty er the adjacent territorial seas.

Oil industry sources welcomed ruling. They said it clarified question of whether exploration companies had to deal with the states or the Federal government when applying for offshore permits.

They said oil companies had been reluctant to seek offshore permits while the question of sovereignty was under litigation.

The sources noted, however, any rise in the current low level of exploration in Australia would depend more on tax incentives offered by the new Australian government and prices permitted for new discoveries, than on settlement of the offshore question.
Reuter

More gunfire in Beirut

BEIRUT, Dec. 17.

TERMITTENT bursts of gun-e in and around Beirut, and re serious clashes in the rthern port of Tripoli, to-day dermined hopes for Lebanon's o-day-old ceasefire agreement.

Beirut Radio reported riodic firing along the mascus road, which runs south-st from central Beirut, and in e suburbs. The radio added it in the north heavy firing curred overnight between one trict of Tripoli and two arby villages.

The radio said that some ople in Lebanon were running rt of food.

He gave no details. Observers d economic hardship was inevitable in the wake of the prolonged violence this year, which at times has paralysed commercial life.

The ugliest single incident so far since the latest ceasefire was due to come into effect last Monday was the death of five people yesterday in the village of Sibnay, south of Beirut after an attack by a large force of gunmen.

A military statement to-day said that most of the 400 people who had fled from Sibnay or been detained by the attackers had now returned to their homes. But the statement added that a small number of people were still being held.
Reuter

Israel asks for F16s

TEL AVIV, Dec. 17.

U.S. Defence officials are nsidering whether to let ael build the advanced F16 rplane in its own aircraft embly plant, a newspaper said day. The newspaper Yedioth ronoth said additionally that U.S. had agreed to supply ael with the Grumman E2C wkeye aircraft.

The report from Washington d Defence Secretary Donald msfeld promised Defence Minister Shimon Peres (Tuesday) "to look upon the Israeli requests with a positive approach and to speed up the process of Israel's request to buy F15s, F16s, and M60 tanks."

Israel has ordered 25 of the sophisticated F15 Eagles and Peres said it may get some of the 20 test models of the twin-engine fighter-bomber before new ones roll off the McDonnell-Douglas production line.
UPI

China mourns Kang Sheng

PEKING, Dec. 17.

ACK-BORDERED newspapers day published front-page tuaries praising Chinese Com-nist Party Vice-Chairman ng Sheng, who died here terday aged 77 after a long ness.

Mr. Kang, for many years country's specialist on urity affairs, occupied fourth ce in the Communist Party rarchy under Chairman Mao -tung, Premier Chou En-lai the youthful Wang Hung-n.

Mr. Kang, a party member for 50 years, was the second Chinese leader to die this year. Last April senior politburo member Tung Pi-wu died in Peking aged 90.

Most of the controlling posts in the party and State apparatus are still in the hands of the founding fathers of Chinese Communism. The official Press to-day published a committee list for Mr. Kang's funeral. Only two of the first ten named were under 60 years old.
Reuter

EUROPEAN NEWS

South takes North to task at Paris conference

BY ROBERT MAUTHNER

PARIS, Dec. 17.

THE CONCILIATORY atmosphere of the 27-nation North-South Conference, which opened here yesterday, was shattered to-day with some stinging attacks on the industrialised world by a number of oil producers and developing nations.

The main target of their shafts was clearly Dr. Henry Kissinger, the U.S. Secretary of State, who said yesterday that the world recession and galloping inflation was a direct result of the massive increase in oil prices over the past two years.

This assertion was rejected out of hand to-day by the representatives of Iran, Algeria and Iraq, who al maintained that the real villains of the piece were the Western industrialised countries, who had only begun to worry about the plight of the developing world once their own interests were *threatened.*

Unlike Sheikh Yamani, the Saudi Arabian Oil Minister, who yesterday adopted a comparatively mild tone in his opening speech, his Arab colleagues from Iraq and Algeria were particularly tough in their condemnation of the past behaviour of the industrialised nations.

Both Mr. Sadoon Hammadi and Mr. Abdul Aziz Bouteflika, respectively the Iraqi and Algerian Foreign Miinsters, and, in slightly vaguer terms, Mr. Jamshid Amouzegar, the Iranian Interior and Oil Minister, demanded the indexation of prices and crude oil and other raw materials to those of imported manufactures an dservices as a way of remedying the inequalities between the industrialised and developing nations.

It is this demand which is likely to prove one of the most intractable issues when the four special commissions to be set up by the Conference finally get down to work.

The U.S., for one, has already made it clear that it is opposed to indexation, not least because such a system presents very great practical difficulties.

Compared with the Iraqis and Algerians, Mr. Amouzegar of Iran adopted a much less emotional and more reasoned approach—but he was no less outspoken in his criticisms of the industrailised nations.

Referring specifically to Dr. Kissinger's remarks that a reduction in oil prices would be desirable, Mr. Amouzegar said that, on the contrary, such a decrease would be detrimental to *the goal of achieving balanced* energy development.

He said that the world was already moving towards a serious energy crisis, even before the quadruling of oil prices, because the low price of oil in relation to the cost of alternative energy sources had encouraged too rapid a depletion of the world's limited petroleum resources and had offered no incentive at prevailing prices for the development of alternative sources.

The Iranian Minister was equally firm in rejecting Dr. Kissinger's contention that high oil prices were responsible for the serious situation in which the non-oil developing countries now found themselves. The cruellest blow had been struck not by oil prices, but by higher costs of imported food, industrial goods, and services. Indeed, most of the $35bn. combined deficit forecast for the developing countries in 1976, was directly traceable to imported inflation.

What was more, the industrialised countries had fallen far short of their own target for development aid, which had been declining in recent years in both relative and real terms. The OPEC countries' total GNP was still a fraction of the combined GNP of the industrialised countries, yet in 1974 they had devoted 2.6 per cent. of their GNP to development aid compared with only 0.3 per cent. for the richer nations. There was, therefore, a serious need for a *far greater transfer of real re*sources from the industrialised to the developing nations than had been envisaged so far, Mr. Amouzegar said.

The confrontation between the *U.S. on the one hand, and some* of the oil producers and developing nations, on the other, has not, however, prevented the conference from getting down to the real work in hand — that of setting up the four special commissions which will try to hammer out agreements in specific fields over the coming months and years.

The joint chairmen of these 15-nation commissions have now been appointed. The U.S. and Saudi Arabia, as generally expected, will preside over the Energy Commission, Japan and Peru over the Raw Materials Commission, the EEC and Algeria over the Development Air Commission and the EEC and Iran over the Finance Commission.

France going ahead with capital gains tax Bill

BY RUPERT CORNWELL

PARIS, Dec. 17

THE French Government will keep its promise to have a draft Bill for a capital gains tax ready by next spring, but in nothing like the fiercely egalitarian shape urged by much of the country's political Left and Centre.

This was made clear by the Finance Minister, M. Jean-Pierre Fourcade, in a speech to the consultative Economic and Social Council last night — the first time that a member of the government has given details of official thinking on a project which strikes dread into the hearts of France's comparatively untaxed rich.

M. Fourcade's main concern is that above all, short term and essentially speculative capital gains should be brought into the taxman's net and ruled out categorically any kind of wealth tax.

Such a device, at a small annual rate of around 0.50 per cent., has been suggested here as a way of providing the data on personal assets on the basis of which a capital gains tax could be more easily applied.

Despite the heated exchanges — and no little confusion — of the Council debate, several points of the proposed tax look to be more or less settled.

It will be levied at the present rates for income tax, perha[ps] with a minimum rate of 15 p[er] cent. and maximum of 50 p[er] cent. of the net gain realis[ed]. Account will be taken both [of] inflation, which can render [a] nominal gain valueless or wor[se], as well as of capital losses [in]curred in the disposal of assets.

As M. Fourcade emphasis[ed], the government wants, except [in] the most flagrant cases, to ke[ep] the rate of the tax within mod[er]ate bounds. Its reasoning [is] plainly twofold: both to av[oid] upsetting the fragile econom[ic] recovery now under way [in] France and not to hurt t[oo] severely those whose vo[tes] brought President Gisca[rd] d'Estaing to power 18 mont[hs] ago.

On the other hand, to shel[ve] plans for the tax would make [a] mockery of the President's inte[n]tion to create a fairer soc[ial] structure in France and, in mo[re] immediate terms, of the Finan[ce] Ministry's well-publicised dri[ve] to stamp out income tax evasi[on], now calculated to run at mo[re] than Frs.50bn. (£5.5bn.) eve[ry] year.

The Bill, however, will have [to] pick its way through a minefie[ld] of problems, on which, as t[he] Council debate underlined, vie[ws] are anything but similar.

OECD OUTLOOK COUNTRY BY COUNTRY

The following is a summary of the chapter on Developments in Individual Countries from the OECD Economic Outlook No. 18 published to-day and available from HMSO at £3.10. The forecasts are based on existin policies and do not allow for policy changes.

CURRENT BALANCES: $Bn. including official transfers	1973	1974	1975	1976
OECD	2½	−33½	−6	−17½
OPEC	3½	67	43	46½
Non-oil developing countries	−2½	−17½	−27	−21½

United States

"Economic activity turned up in the second quarter of 1975, after the most prolonged and severe recession of the post-war period." However, "the expansion is likely to slow down in the course of 1976. Fiscal stimulus is likely to diminish, monetary restraint may begin to affect demand and the change in stockbuilding will probably become more moderate. Aggregate real demand would seem unlikely to rise much faster than potential.

"Employment may rise only marginally faster than the labour force and the fall in unemployment will probably be slow." Moreover, "the rate of inflation is not forecast to decline substantially during the next 12 months." On the external side, "a substantial positive balance on goods and services in current prices should persist through 1976."

West Germany

"Real GNP reached its nadir during the summer of 1975, following a record decline of some 7 per cent. (seasonally adjusted annual rate) in the first half of the year. On the basis of present policies, the upward trend in activity should continue during 1976. But unles there is significantly stronger export demand than envisaged here, the expansion seems likely to be modest, with some deceleration as early as the second half of 1976. The OECD forecast suggests little change in the existing wide margin of unused capacity.

"Demand for labour may even decline further. The price outlook is relatively favourable. Even allowing for a relatively important rise of import prices, the private consumption deflator is forecast to increase by less than 5 per cent. in 1976, after 6 per cent. in 1975. The current-account surplus may decline to some $2bn. in 1976."

Japan

"The upturn in activity currently under way is expected to continue throughout 1976. But on the basis of the present policy stance, and assuming only a limited revival in world trade, the recovery is forecast to remain moderate, the year-on-year growth of real GNP amounting approximately to 4½ per cent.

"The forecast for demand and output implies practically no improvement of the labour market in 1976 and the unemployment rate is projected to remain roughly at its present high level. Inflation, on the other hand, might remain within the single digit range. The current account deficit may be around $450m. in 1976 compared to $500m. in 1975."

Britain

"The most recent indicators suggest that the downturn in production may be coming to an end, with output stabilising at a very low level. Real GDP is expected to have fallen further in the second half of 1975 but then to grow moderately (1½ per cent.) to the second half of 1976. The recovery would be mainly accounted for by a slowdown in the rate of stock adjustment.

The forecast implies a continuing rise in unemployment, though at a slower rate than in the first half of 1975, possibly to a level of almost 1.5m. (6½ per cent. of all employees) by the end of 1976. Mainly because of accumulated cost increases still to come through to retail prices and a jump in import prices, the slowdown in the consumer deflator is forecast to be relatively modest in the second half of 1975 but to become appreciable through 1976. In the last quarter of 1976, the annual rate of increase could be about 9 per cent., compared with 16½ per cent. a year earlier. The current external deficit could be reduced . . . from an annual rate of about 4bn. in the second half of 1975 to some 3bn. (just over 1 per cent. of GDP) a year later.

France

"Activity stabilised in the course of the third quarter of 1975 and some signs of recovery in domestic demand have appeared. A recovery of production may set in in the months ahead, but it is unlikely to be vigorous: real GDP is forecast to grow about 3 per cent. in 1976. On this basis, the employment situation would continue to deteriorate, although less rapidly than in 1975, and unemployment might be running at about 5½ per cent. of the labour force at the end of 1976.

"The rise in consumer prices, which has slowed down since the beginning of the year, is still considerable, particularly given the scale of the recession. The annual rate of increase in consumer prices could move up from 9½ per cent. in the second half of 1975 to 12 per cent. in the course of 1976. The balance on current account, which showed a seasonally adjusted surplus of $700m. in the first half of 1975, has since been in balance, and may gradually deteriorate in 1976."

Italy

"In the first half of 1975, GDP continued to decline at roughly the same rate as in the second half of 1974, thus confirming the most pronounced recession that the Italian economy has experienced since the 1950s. The prospects for growth until the end of 1976 are rather poor. Final demand is likely to fall again slightly in the second half of 1975, level off in the first half of 1976 and rise moderately thereafter.

"One of the striking features of the present recession is the fairly low level of total recorded unemployment. With regard to consumer prices, the present forecast is for a gradual acceleration throughout 1976. At the end of 1976, the year-to-year increase could be about 13½ per cent. compared with less than 11 per cent. in the course of 1975. Current external transactions are forecast to remain close to equilibrium in 1976."

Canada

"There are indications that the decline in activity came to an end in the second quarter of 1975," and "there has probably been a modest recovery in real GNP in the second half of 1975, largely based on a pick-up in consumption. In the latter part of 1976, final domestic demand is forecast to weaken, largely through the effects of tight monetary conditions and the dampening effects of increasing unemployment on consumption growth.

"The rise in consumer prices is expected to decelerate to about 9½ per cent. in 1976, largely because of a sharp deceleration in unit labour costs and import prices. Despite the levelling off in the unemployment rate since March, the rates of increase in output and employment entailed in the present forecast imply a continuing, though slow, increase in the unemployment rate in 1976. The current balance could show a deficit of slightly less than $4bn. in 1976."

Others

"While the downturn has been shallower than for the large economies, the growth rate for the smaller countries in 1976 is expected, on the basis of the present forecasts for world trade, to be more modest than in the bigger countries.

"In most European countries (Norway and Denmark are exceptions), demand and output are likely to rise only moderately at best in 1976, and the combined GNP growth may be lower than the 2-2½ per cent. forecast for the larger European countries. Recessionary trends are expected to continue in New Zealand;

EEC rejects MP's plea to aid jailed Frenchman

BY PHILIP RAWSTORNE

STRASBOURG, Dec. 17.

THE EEC Commission to-day rejected a British Labour MP's appeal and refused to intervene with the French government over the imprisonment without trial of Mr. Yann Fouere, a leading Breton nationalist.

Mr. Fouere, who also holds Irish citizenship, was arrested at St. Brieuc in October while on his way to address a Plaid Cymru conference in Wales. French police claimed to have found three detonators at his Brittany farm.

Mr. Tom Ellis, Labour MP for Wrexham, said yesterday that Mr. Fouere, who also has a fishing business in Galway, had been held in solitary confinement for 22 hours a day.

The Commission had refused to intervene on the grounds that the case was *sub judice* and outside its competence.

Mr. Ellis said: "I believe t[he] Community has a duty to prote[ct] the human rights of citizens [of] its member States. There a[re] numerous precedents for acti[on] in such a case."

He now intended to raise t[he] issue within the Parliamen[tary] Socialist group and seek a f[ull] debate at next month's session.

Mr. Fouere, 65, left Britta[ny] for Ireland in 1946 after bei[ng] held for a year on charges [of] collaboration with the Nazis. [He] was later tried in his absence a[nd] sentenced to life imprisonme[nt] but he returned to France [in] 1954 and was cleared by [a] military tribunal.

A petition for his release h[as] been signed by many promine[nt] French journalists and write[rs] including Jean-Paul Sartre a[nd] by the three Welsh Nationali[st] MPs at Westminster.

Bundesbank money stock

BY NICHOLAS COLCHESTER

BONN, Dec. 17.

THE COUNCIL of the West German Bundesbank will announce to-morrow at a Press conference the rate at which it plans to allow the "central bank money stock" to grow in the coming year.

It seems likely that the rate will once again be 8 per cent., but this time expressed as an average for 1976 over that for 1975, implying a rate over the coming year that will be rather less.

The central bank money stock is defined as "cash in circulation, plus the banking industry's deposits with the Bundesbank, adjusted for changes in reserve requirements."

The exact relevance of this figure to the workings of the German economy is unclear, even to people at a high level in economic government.

Its importance is that it has become, over the last year, a symbol of the Bundesbank's independence and of its intention to supply sufficient funds for economic growth, but not enough for inflation.

When the Bundesbank announced last year for the first time that it would let the central bank money stock rise by 8 per cent. over 1975, it was widely interpreted as meaning that the money supply would grow at this rate. This was an error.

The most popular definition of the money supply, M1, is "cash in circulation plus sight deposits of non-banks with credit institutions." Being one step removed from the central bank, this *quantity is under less direct* control.

Over the first ten months of this year, M1 grew at an annual rate of 13.9 per cent., while the central bank money stock grew at 9.5 per cent. a year. It is the overshoot in the latter figure that makes a cut in the rate over next year likely.

Today, Herr Karl Klasen and Dr. Otmar Emminger, president and vice-president of the Bundesbank, informed the Cabinet of their thinking on this matter. The government agreed with their thoughts.

Nevertheless, it is clear that *discussion* of this symbolic number has given rise to some mild friction in the last few days. The protagonists here have been a central bank which has said firmly that it does not feel obliged to finance whatever deficit the government feels it needs, a Finance Minister who wants to finance the deficits he feels to be socially desirable and an Economics Minister who agrees with the Bundesbank.

Meanwhile, the latest monthly report of the Bundesbank reveals that private consumption in West Germany has risen recently and that this is probably bound up with a decrease in the public's tendency to save. Consumer spending in the third quarter was, seasonally adjusted, 8 per cent. over that a year earlier and 2 per cent. up on the figure for the second quarter.

New call for Portuguese 'return to barracks'

BY PAUL ELLMAN

LISBON, Dec. 17.

A FRESH call for Portugal's military to return to their barracks was made to-day by one of the leading figures in the military leadership, Brigadier Vasco Lourenco.

Brigadier Lourenco, who was appointed Governor of the Lisbon military region shortly before the abortive left wing uprising on November 25, said in a newspaper interview that the move back to Barracks should take place "with the shortest possible delay." His remarks came against the background *of the opening* of talks between representatives of the military leadership and the political parties aimed at revising the pact they jointly signed last spring. This gave the military leadership ultimate decision-making authority for up to five years.

Brigadier Lourenco's remarks were seen here as of great importance to the outcome of the talks since he is one of the five nominated to represent the Revolutionary Council of the Armed Forces Movement. His firm commitment to an early return to barracks means that the majority among the five is against giving the military a central political role.

Nevertheless, even the majority do not see a return to barracks as being possible overnight. Brigadier Lourenco made it clear to-day that he felt the process could last well beyond the elections scheduled for next spring.

Pleas for wider Spanish amnesty

BY ROGER MATTHEWS

MADRID, Dec. 17.

DEMANDS for a full-scale political amnesty in Spain are steadily gaining weight with strikes and demonstrations, amid hints that the new Government is willing to release significantly more of the political prisoners jailed under the regime of General Franco.

The latest to join in the growing chorus are 2,500 civil servants who have sent a petition to King Juan Carlos asking for an immediate amnesty, including those army officers arrested earlier this year and now awaiting trial on charges of sedition.

The civil servants, who come from all branches of Government service, also requested that colleagues who had been sacked for political activities should be reinstated along with university academics who had suffered a similar fate.

Most of the country's professional organisations, as well as many working-class groups, have now formally appealed to the King to extend the limited royal pardon granted a couple of weeks ago and it is admitted in Government circles that a formula will soon have to be found.

Two of the country's best-known working-class leaders, Marcelino Camacho and Nicolas Sartorius, who were only recently released from jail, are meanwhile stepping up their activities. Together with Simon Sanchez Montero, a leading member of the Communist Party, they yesterday visited Father Luis Maria Xirinachs, a nominee for this year's Nobel Peace Prize, who is on hunger strike in a monastery near Barcelona in support of political prisoners.

Earlier, Sr. Sartorius, who comes from a distinguished Madrid family and is now perhaps the leading intellectual promoting working-class interests in Spain, signed copies of his book on the resurgence of workers' influence. His activities and those of Sr. Camacho are a mounting provocation to the extreme Right whose temper is apparently becoming increasingly frayed.

U.K. still the least 'European'

By Reginald Dale, Common Market Correspondent

BRUSSELS, Dec. 17.

BRITISH opinion is gradual[ly] becoming more favourable [to] the EEC, but the U.K. remai[ns] the least "European" of t[he] Nie except for Denmark.

Italy and Luxembourg are st[ill] the two countries most in favo[ur] of European integration.

This fairly familiar patte[rn] emerges from the latest s[ix-]monthly EEC opinion poll pu[b]lished here to-day by t[he] Brussels Commission.

The survey shows that t[he] number of Britons who think t[he] Common Market is a "go[od] thing" has, for the first tim[e] reached 50 per cent., compar[ed] with 47 per cent. in May a[nd] only 31 per cent. in Septemb[er] 1973.

Twenty-four per cent. [of] Britons thought the Commun[ity] was a "bad thing," when [the] poll was taken in October a[nd] November, compared with 34 p[er] cent. two years ago. Eight[een] per cent. thought it was "neit[her] good nor bad" and 8 per ce[nt.] did not reply.

In Denmark, only 41 per ce[nt.] said the EEC was a "good thi[ng]" and 27 per cent. thought it [was] a "bad thing." Opinion in other countries ranged from [...] per cent. approval in Belgium [to] 75 per cent. in Italy and 78 [per] cent. in Luxembourg.

In the Community as a wh[ole] seven out of 10 people favou[red] European citizenship, as s[ym]bolised by a European passp[ort], the Commission said. Six [out] of 10 wanted direct election[s to] the European Parliament [and] European political union by 1[...]. Four out of 10 said they wa[nted] quicker progress towards Eu[ro]pean unification (24 per c[ent.] in the U.K., against 17 per c[ent.] two years ago).

HOME NEWS

Hesketh in consortium trying to help NVT

FINANCIAL TIMES REPORTER

THE ONE thousand workers at the threatened Norton Villiers motorcycle factory in Wolverhampton yesterday were given a cup of Christmas cheer—only to have it snatched away hours later.

The workers, who have been occupying the plant for nearly five months, were told at a mass meeting that a consortium including millionaire Lord Hesketh would buy the factory to keep alive the British motorcycle industry.

Only two hours later Lord Hesketh, the former head of the British Fomula One motor racing team, admitted: "We are in no way trying to acquire this plant as a going concern."

Mr. Tom Potter, a member of the workers' action committee pledged to get the plant back on its feet, said: "It was all a misconception."

The workers applauded Lord Hesketh and other members of the consortium after they had been told that negotiations were taking place to buy the Marston Road plant

Afterwards Lord Hesketh, who did not talk to reporters until he had had a hurried conference with the Action Committee, said: "*We are in no way trying to* acquire the plant because I certainly do not have the money and I don't think any other individual has got that kind of money.

Long way

"I am just part of a consortium which is being led by Mr. Ronald Titcombe, an Australian *with interests in the oil industry*. Under Mr. Titcombe's leadership, we hope we will be able to provide an answer to the production of a British motorcycle.

"We have not bought the factory. That is probably weeks if not months away. The factory is one tiny part of something that is huge. We have got a long way to go and the situation is by no means safe.

"We are a consortium of individuals who are trying to help and that is what we want to do. It is impossible to predict anything until we are a great deal further down the road."

He was just one part of a group of people who "care about the British motorcycle industry," and he hoped that they would be able to contribute whatever they could towards producing a satisfactory conclusion.

ties.

Immediately afterwards, Mr. Potter admitted that the Action Committee *was really no further* to guaranteeing the future of the plant than it had been 24 hours earlier.

Lord Hesketh was "lending his name" to the product. The factory *had not been bought, but* Mr. Titcombe would be meeting the liquidator, Mr. Kenneth Morgan, to begin negotiations to buy the plant.

If things went amiss with the *consortium, the Action Committee* would continue its own negotiations and it had a bank behind it.

"I am sure many workers left the meeting thinking the factory would be acquired by Christmas. That is a misconception," Mr. Potter said.

A minimum of £7m. is needed to get the company back on its feet. Voluntary liquidation was *announced on August 1.*

Rolls-Royce in good position, Keith says

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE (1971) is not in any financial trouble. It is profitable, it has turned the corner and is very much on the way up." Sir Kenneth Keith, the company chairman, said yesterday.

Sir Kenneth, commenting on the reports that the company was seeking £100m. cash aid from the Government, said that some of what he had said earlier this week had been misunderstood and, in some instances, he had been quoted out of context.

The fact was that the company had not yet been given the appropriate long-term capital with which to conduct its very substantial and growing business.

"The Government has always agreed to provide us with this capital, but there will obviously be a debate about the amount we require.

"We need £100m. to tide us over the next year. There is nothing extraordinary about this. Had it not been for inflation, we would not require this sum, but we would still have required the adequate capitalisation which we were promised in the first place.

"The Cranley Onslow Guarantee prevents there being any question of Rolls-Royce (1971) getting into financial difficulties."

The guarantee was given by Mr. Onslow on behalf of the Conservative Government when he was a Junior Minister in the Department of Trade and Industry, at the time of the Government rescue operation for the old Rolls-Royce company in 1971 and the setting up of the new company. It has never been rescinded.

Mr. Onslow said at the time that pending the creation of a new capital structure for Rolls-Royce (1971), the Government would ensure that all debts of the new company were met.

Teesside zinc plant plan dropped

By Our Darlington Correspondent

THE CANADIAN-BASED Cominco Group said yesterday that it was not in a position to go ahead with its plan to build a £25m. zinc refinery at Hartlepool, Teesside.

The company gave no indication, in a letter to Hartlepool Council, whether the decision was temporary or if the project had now been abandoned altogether.

Cominco's letter also pointed out that the licence the company had been granted by the Government expired at the end of the year, but did not say whether it *would be renewed.*

Outline planning permission for the plant was granted to Cominco two years ago after the *company* had agreed to strict anti-pollution controls.

The refinery was to have been built on a 40-acre site near the new nuclear power station. It would have provided about 300 *jobs in* an area which has one of the worst unemployment records in the North-East.

Cominco had intended to begin producing at the refinery by the end of next year. It would have produced 100,000 tons of zinc a year as well as 175,000 tons of sulphuric acid used in fertilisers as a by-product.

Hartlepool Council said that another company was interested in developing the site and details *would be* announced next year.

Building output shows modest increase in third quarter

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THERE WAS a modest increase in construction output during the third quarter this year, although the year as a whole still looks certain to end on a low note for the building sector.

After last year's estimated 8 per cent. drop in overall output, estimates still suggests that a further fall of about 6 per cent. *seems the likely outcome for this* year. Next year, another decline in work levels, of possibly 2–3 per cent., is expected.

Yesterday's figures from the Department of the Environment estimate that the total value of all building work by contractors in Britain in the third quarter was £3.09bn. at present prices, compared with £2.92m. in the previous three months and £2.67bn. a year earlier.

On a constant price basis, however, the latest quarterly total represents very little growth over the preceding period, estimated by the Department at only 1.4 per cent. When compared with the third quarter of last year, the total represents a fall of nearly 4 per cent.

The latest trends of output in *the two housing sectors show* considerable differences.

Work on council housing development was valued at £403m. in the third quarter, an increase of £41m. on the previous three months and of £109m. on the third quarter last year. On a constant price basis, output was 11.9 per cent. up on the second quarter this year and 14.3 per cent. higher than a year earlier.

In the private housing sector, however, contractors' output between August and the end of September was £404m., a rise of just £6m. on the preceding three months and of only £32m. on a year before. At constant prices, output was 6.7 per cent. below the level of the previous quarter and just under 10 per cent. down on the third quarter last year.

According to the Department's provisional estimates, building work in the public non-housing sector rose by 11.8 per cent. over the second-quarter figure and was 6.7 per cent. up over the third quarter last year. On the other hand, private industrial building was 2.4 per cent. lower than in the preceding three months and just over 11 per cent. down on the August-October period *last year.*

The bleak picture was repeated for private commercial development work. Output in the third quarter was 2.2 per cent. down on the previous quarter and just under 15 per cent. lower than a year earlier. To complete the overall pattern, repair and maintenance work fell back by just under 4 per cent. from the second quarter and by 7.8 per *cent. on the same period last* year.

The Department also reported that employment in the building sector fell again in October, with the index of employment at one of its lowest points in the past four years.

Estimates vary but it is thought that about 175,000 construction workers have lost their jobs in the recession and there are fears the figure could reach 250,000.

New towns plea for tax exemption rejected

MR. WILLIAM ROSS, Secretary *of State for Scotland, has turned* down an appeal by Mr. William Hamilton, MP for Central Fife, to exempt new towns from tax liability.

Mr. Hamilton, acting in conjunction with Glenrothes Development Corporation, described the taxation of new towns as "a superfluous academic exercise." The new towns would be handing back all surplus funds to *the Treasury in any case.*

Brigadier R. S. Doyle, Glen*rothes' chief executive, said* that "while recognising that new towns have a tax responsibility, the population of Glenrothes, who will have created the eventual financial surpluses, are also entitled to expect that a substantial part of these surpluses will be ploughed back into the community to help produce amenities which have been held *back over the years.*"

Heathrow struggles back to normal

By Michael Donne, Aerospace Correspondent

AIRLINES AT Heathrow began to struggle back to normal yesterday after two days of total disruption due to fog, to the accompaniment of bitter criticisms from stranded passengers about the way in which they had been treated.

With many passengers including some with young families, preparing to camp out for the third night running in the long-haul Terminal at the airport, because the airlines still could not either fly them or accommodate them elsewhere the most vigorous and frequent complaint was that the airlines had behaved as though "*they did not* care."

The complaints included not just lack of information about possible flights or alternative accommodation, but also criticisms about choked reception desks, lack of food, telephone kiosks becoming inoperative because their cash boxes were choked with cash and were not emptied, and lack of concern on *the part of some airline staff.*

Among the worst hit of the airlines was British Airways, with aircraft stranded in the wrong places, and two days' accumulation of passengers.

The main criticism directed at the airlines and the airport authority yesterday was that neither appeared to be ready to cope with the emergency that the two days or so of fog had created.

Unigate

INTERIM REPORT

for the 24 weeks ended 13th September 1975

The Directors of Unigate Limited announce the following unaudited results of the Group for the 24 weeks ended 13th September, 1975 compared with the figures for the six months ended 30th September, 1974 and for the period 1st April 1974 to 29th March 1975.

	Notes	24 Weeks to 13th Sept. 1975	6 Months to 30th Sept. 1974	1st April 1974 to 29th March 1975
Turnover		£315m	£265m	£587m
		£000	£000	£000
Profit		11,399	10,537	21,618
Retrospective Margin Awards	2	199	636	3.160
		11,598	11,173	24,778
Interest	3	2,561	3,355	7,003
Profit before Taxation		9,037	7.818	17,775
Taxation	4	4,350	3,796	8.710
Profit after Taxation		4.687	4.022	9.065
Earnings for Ordinary Shareholders		4,478	3.797	8.535
Earnings per Share	5	2.26p	2.30p	5.12p

Notes:

1. **Accounting Period**
With effect from 29th March 1975 Unigate have adopted 4 weekly accounting periods for management purposes. The interim results are therefore stated for the 24 weeks ended 13th September 1975 as compared with 6 calendar months to 30th September 1974. The Annual Accounts will be prepared for 52 weeks ending on the 27th March, 1976.

2. **Retrospective Margin Awards**
Adjustment of margins allowed in prior years by the Ministry of Agriculture, Fisheries and Food amount to £431,000 (1974—£1,272,000). Credit has been taken for 24/52 of this amount.

	24 weeks to 13th Sept. 1975	6 Months to 30th Sept. 1974
3. **Interest**	£000	£000
On Bank Borrowings	1,266	2,054
On Loan Capital	1,295	1,301
	2,561	3,355

4. **Taxation**

The charge for taxation is:		
Corporation Tax at 52% (including deferred tax)	4.443	3.550
Foreign Tax	(93)	246
	4.350	3,796

Foreign Tax (credit £93.000) is stated after crediting £231,000 in respect of tax over-provided last year.

5. **Earnings per Share**
The earnings per share are calculated on the basis of the equivalent of 198.478.394 (1974—165.227.599) ordinary shares in issue and earnings of £4.478.000 (1974—£3,797,000).

6. **Extraordinary Items**
Subsequent to 13th September 1975, the majority of our Canadian activities have been sold. Any loss arising from this sale will be dealt with in the accounts for the 52 weeks ending 27th March, 1976 as an *extraordinary item.*

7. **Interim Ordinary Dividend**
The directors have declared the following interim dividend in respect of the 52 weeks ending 27th March, 1976 (brackeced figures interim dividend year ended 29th March, 1975).
The increased dividend has been declared with a view to reducing the difference between the amount of the interim and final dividend which will be determined when the results for the 52 weeks ending 27th March, 1976 are known.

Per Share	1.10p	(1.0p)
Equivalent gross Dividend after adding back tax credit	1.69231p	(1.49254p)

The interim dividend will be paid on 1st April, 1976 to Ordinary Shareholders on the register at the close of business on 4th March, 1976 and absorb £2.163,000 (1974—£1.653,000).

HOME NEWS

Gilbert confirms switch in transport subsidies

BY PETER FOSTER

A SHARP switch of emphasis in transport subsidies towards rural bus services at the expense of both urban services and highway maintenance was confirmed yesterday by Dr. John Gilbert, Minister for Transport.

He warned that this could mean further significant fare increases for the GLC and the other Metropolitan areas.

Announcing the allocation of the £285m. Transport Supplementary Grant, Dr. Gilbert emphasised that a larger share of the funds available for bus revenue support in 1976-77 should go to help services outside the major conurbations than was possible in the last TSG.

Although the Minister stressed he had been able to accept the bids of the non-metropolitan counties for bus revenue support almost in their entirety, he pointed out that some counties were not prepared to make up the cost of maintaining services.

On the present estimates of the National Bus Company—which operates all the rural bus services—this would lead to cuts of around 3½ per cent., or 25m. miles, in services, and to around 1,000 redundancies out of 69,000 in the labour force over the next few months.

However, it is believed the NBC is relatively happy about the degree of support and feared that higher levels of redundancies might be necessary, if the Government failed to meet its revenue shortfall.

Reductions

Dr. Gilbert, who has sent out letters to the Greater London Council and the county councils informing them of the allocations, has indicated he is still seeking "substantial reductions" in the area of road maintenance, starting with a reduction of about 6 per cent. in 1976-77.

He warned that the level of expenditure which he had accepted in the case of the GLC and the metropolitan counties meant that those counties who had not made sufficient progress towards Government objectives on reducing bus revenue support would be faced with "significantly higher fare increases" than other countries over the coming months.

There was no reaction from the GLC last night, but its leader, Sir Reg Goodwin, called a meeting to discuss its grant which is, in real terms, well below that of last year.

At November, 1974, prices, the GLC's grant for 1976-77 amounts to only £66.4m. compared with £85.3m. last year, and with the exception of Tyne and Wear, the grants of the other metropolitan areas have also suffered a set-back in real terms.

This is the second year the Government has given its transport grant to local authorities in "block" form, in the shape of the Transport Supplementary Grant, rather than making a number of specific grants. The total amount of transport expenditure accepted by the Minister on behalf of the local authorities is £983m.

UDA gives parole warning

BY GILES MERRITT

NORTHERN IRELAND'S biggest Protestant "private army," the paramilitary Ulster Defence Association, yesterday threatened "disruptive action" in the streets of Belfast if Mr. Merlyn Rees, Northern Ireland Secretary, did not give in to its week-end ultimatum and grant Christmas paroles to 35 of its members serving sentences in Long Kesh.

A further 23 Loyalist prisoners inside Long Kesh apparently have been granted Christmas parole, but are refusing to accept it unless their 35 companions are also paroled.

The matter is to be taken up with Lord Donaldson, Parliamentary Under-Secretary of State, who has responsibility for prisons, by the Rev. Ian Paisley, Democratic Unionist leader.

The parole row came after a request yesterday by Mr. Glen Barr, Vanguard Party convention member, who is also a political spokesman for the UDA, that Mr. Rees should investigate the matter.

Mr. Harry West, leader of the Official Unionists, has said that the United Ulster Unionist Coalition which he heads, does not intend to take part in a second phase of the convention.

It is widely believed that Mr. Rees plans to reconvene the 78-seat assembly once its November report rejecting power-sharing has been debated at Westminster next month, in the hope that the Loyalist majority will reconsider its decision.

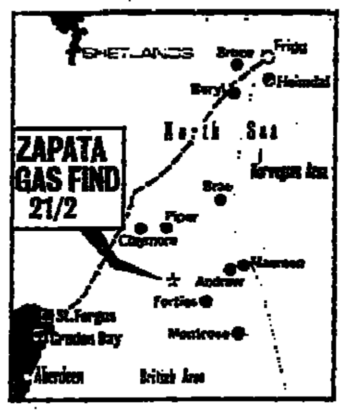
There are also signs that Mr. William Craig, Vanguard Party leader, is beginning to back-track on his controversial championship of emergency coalition involving the mainly Catholic Social Democratic and Labour Party.

QATAR

We have been asked to point out that the price for Dukhan onshore crude in Qatar is $11.85 and for offshore $11.66—not $11.48 and $11.62 as stated in our survey of Qatar published on Tuesday, November 18 last.

Zapata finds gas in North Sea

BY RAY DAFTER, ENERGY CORRESPONDENT



THE ZAPATA exploration group has discovered gas on North Sea block 21/2, only 3½ miles from an earlier oil discovery.

A second well on the block about 75 miles off the Scottish coast and north-west of the Forties Field, produced 18.5m. cu. ft. of gas a day and 1,900 barrels a day of condensate.

Tests completed on the first well in June showed oil at 5,540 barrels a day. Although the wells are on the same structural complex, it is understood that the two reservoirs are not connected. Further drilling will be needed to determine their commercial significance.

Zapata, the operator of the group, has a 25 per cent. stake. Other group members are Clinton (22.5 per cent.); Canadian Export Oil and Gas (10 per cent.); Hadson Ohio (10 per cent.); Bomin North Sea (5 per cent.); Carless Capel and Leonard—the only U.K.-based member (5 per cent.); Hudson's Bay Oil and Gas (5 per cent.); Pacific Petroleum (5 per cent.) and Superior Oil (12.5 per cent.).

According to industry reports, it appears that encouraging shows of hydrocarbons have been found on the Brae Field, operated by the Pan Ocean Group on block 16/7.

Stockbrokers Wood, Mackenzie and Co., said yesterday that while it was not yet known whether Brae was predominantly a gas or oil field, the indications suggested an attractive commercial potential.

If Brae were an oil field, a maximum reserve potential of 800m.-1bn. barrels of oil appeared possible, while reserves of gas would be 2-3 trillion cu. ft.

If Brae were a gas field, a maximum reserve potential of 7-10 trillion cu. ft. of gas was possible, together with 500m. barrels of oil.

Participants in the concession are: Pan Ocean (32 per cent.), Bow Valley (28 per cent.), Siebens Group (8 per cent.), Sunningdale (8 per cent.), Saga (4 per cent.) and the National Coal Board (20 per cent.).

Mack Trucks for U.K.

BY TERRY DODSWORTH

MACK TRUCKS, the U.S. heavy lorry manufacturer, is to expand its distribution network into the U.K. with a target of about 200 sales next year.

The move—with the appointment of Commercial Truck Services, of Bolton, as distributors—has been expected since Mack established sales organisations in most of the significant Continental markets.

Commercial Truck Services, a Fodens distributor, expects to be importing the first vehicles in January.

Mack has chosen a difficult time to enter the British heavy truck market, which is going through a severe depression. The recession has bit particularly deeply at the heaviest end of the range—the 32-ton gross vehicle weight trucks and the off-road vehicles—where Mack is concentrating its attention.

In 1973, Mack produced 36,050 heavy duty diesel trucks in the U.S. and Canada. The company claims to be the largest U.S. exporter of this category of trucks.

In 1975 it expects to sell at least 12,000 units overseas, with sales particularly strong in the Middle East.

● NEWS ANALYSIS—RAIL INVESTMENT

No network axe in view

BY COLIN JONES

NO NETWORK AXE IN VIEW

WORDS like, "codswallop," and "liar" are not the usual currency of public exchanges between Labour Cabinet Ministers and union leaders, particularly between such normally benign figures as Mr. Anthony Crosland, the Environment Secretary, and Mr. Sidney Weighell, general secretary of the National Union of Railwaymen.

The likeliest explanation of this acrimonious interchange, at this stage, is that this is one of those occasions where two sets of people are putting totally different constructions upon basically the same information, and neither can quite accept the genuineness of the other's interpretation.

Mr. Crosland, for his part, is no doubt right to imply that he has no intention of presiding over the dissolution of the British Rail empire, and certainly not to the extent of eliminating two-thirds of the rail network in six years' time. Indeed, in present circumstances, it would be probably political suicide to try. Likewise, Mr. Weighel and other leaders of the "no rail cuts" campaign are equally adamant that all their information came from certain senior officials at British Rail.

They say that it was British Rail itself which took the view that the limits which the Government has set on rail investment and revenue support pointed logically to a reduction in the network from the present 11,000 route miles to less than 4,000 miles by 1981.

The investment ceilings, which emerged from the latest public expenditure review and which were passed on to the campaign leaders, are set out in the table, together with comparable forecasts at various stages as far back as the bids submitted by British Rail in the rail policy review of 1972.

These figures certainly bring out the extent of the successive reductions in BR's investment allocation. They also underline the difficulties that BR's forward planners have had to encounter. But they do not make a two-thirds reduction in the rail network in as short a period as six years seem plausible, even on the worst possible assumptions.

For a start, the figures in the table go up to 1981 whereas the latest PESC exercise looked only as far as 1979-80. More substantially, BR's latest investment allocation is within the range of £200m.-250m. a year which is said to be the level which is currently required to meet replacement requirements. True, cut-backs on the scale British Rail has had to face would have to be achieved by slashing back on new projects for both improvement and replacement. True, too, that the ceiling which has been imposed on next year's revenue support carries the implication of even tougher ceilings in subsequent years, and that the fares increases which have already had to be imposed have had such an adverse impact upon the volume of passenger travel that total revenue could be on the point of declining. But it is difficult to credit that the deterioration in the quality and use of rail services could be so dramatic as to lead inexorably to a two-th reduction in the system by early 1980's.

Yet this is what the u leaders say they were told. it possible that BR's co-operat with them began at a time w its planners had been plun into despondency by the outc of the latest PESC review? A all, they have been striving the past decade to persuade p ticians to accept the case fo bigger and better railway campaign they thought they partly won two years Frustrated by the latest o succession of cutbacks, they have read more into the si tion than more considered politically experienced ju ments would have accepted.

The Department of Environment would certa refute any such intention. financial constraints were tended to do no more t stimulate British Rail achieving a higher level efficiency. Indeed, BR's han ing for a better railway matched only by Whiteh equally long-standing belief t if they put their minds to the railways could achieve c siderable economies with eroding the quality of servic

The future role and size of railways, on the other hand a matter that will be decidec part of the current departme review of transport policy, rat than as a by-product of PESC review. Indeed, week's row appears to be another example of a lack mutual comprehension betw Whitehall and a nationali industry.

BR INVESTMENT FORECASTS
(At average 1975 prices)

Source	Date	1973 £m.	1974 £m.	1975 £m.	1976 £m.	1977 £m.	1978 £m.	1979 £m.	1980 £m.	198 £n
Rail Policy Review bids	Dec. 1972	210	264	315	341	312	365	365	360	36
Minister's (Peyton) decision	Nov. 1973		206	240	276	294				
Barber's spending cuts	Dec. 1973		178	230	276	294				
PESC decision 1974	Dec. 1974			206	255	279	286			
Healey's Budget cuts	Mar. 1975			206	238†	273†	286			
BRB planning figures	Sept. 1975	168*	176*	200*	238†	249†	265†	291‡	320‡	35
PESC decision 1975	Nov. 1975	168*	176*	200*	238†	238	238	238	238	23

* Out-turn.
† Assuming no cuts to LA and PTE ceilings.
‡ Assuming 10 per cent. increase a year.
All figures include local authority and PTE ceilings but exclude administration.

Petrol, tobacco, drink sales fal

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

SALES of petrol, oil, tobacco products, beer and imported wine all showed a fall in the year to April, 1975, compared with the previous 12 months according to the report of the Commissioners of Customs and Excise published yesterday.

Total receipts for the year were £7.425bn., an increase of 18.9 per cent. on 1973-74 and were 33.5 per cent. of the yield of Central Government taxation.

Just over one third of the total was £2.5bn. from VAT. As the tax is payable in arrears, this was the first time a full year's tax had been received. The report shows that 1,223,800 people and companies were registered for VAT at March 31 this year.

Receipts from hydrocarbon oils fell last financial year—by 2.4 per cent. from £1.587bn. to £1.549bn. This still represented nearly 21 per cent. of total Customs and Excise receipts.

The report maintains the fall was mainly due to reaction to large price increases. Consumption of petrol in 1974-75 was 2 per cent. down, of derv 3.5 per cent. down and of other heavy oil 7.2 per cent. down compared with the previous 12 months.

Consumption of tobacco fell by 6.8 per cent. but a heavy duty increase in March, 1974—a contributory factor in the decline—enabled the Excise to collect 23.3 per cent. more, £1.339bn. against £1.086bn. The duty on tobacco represents 18 per cent. of the total Customs and Excise revenue.

Receipts on all alcoholic drinks represents 15.3 per cent. of the total receipts with a yield last year of £1.134bn. compared with £954.1m. the previous year.

Beer gravity up

Beer consumption fell by 0.3 per cent. to 39.1m. bulk barrels but receipts were 23.4 per cent. higher at £450.6m. against £365.1m. again reflecting the large March, 1974 Budget duty increase.

The average gravity of beer brewed in the U.K. went up from 1037.05 degrees to 1037.15 degrees.

For the first time in five years, clearances from bond on imported wine decreased. The f was 7.8 per cent. from 67.9 gallons to 62.7m. gallons. D receipts were up—again becau of the Budget increase—by per cent. from £80.7m. £105.7m.

Duty from British wine ro by 66.9 per cent. to £23.2m. fro £13.9m. with consumption by 7.7 per cent. to 16.8 gallons.

Spirits sales rose in spite hefty duty increases. Th were up 1.3 per cent. from 32 proof gallons to 32.4m. gallo with Scotch and Vodka accou ing for most of the increa Receipts from spirits rose 12.2 per cent. from £494.4m. £554.8m.

Exports of whisky were 89.6 proof gallons, 8.7 per ce above the previous year's 82.4 gallons.

The betting and gaming du together yielded £238.5m., up 2 per cent. on the 1973-74 total £185.5m. Pool betting produ £87.9m. (£72.1m. in previous months), general betting d £131.4m. (£97.2m.), bingo yiel £6.2m. (£5.3m.). The num of licensed gaming clubs was 1 the same as the year before, receipts from the clubs w £3.9m. (£2.5m.). Gaming mach licence duty at £9.2m. compa with £8.3m.

Receipts of car tax rose fr £117.9m. to £122.3m.

A record £8.5m.-worth of dr were seized during the year, v up on the £5m. in 1973-74. Customs officers are sure trend will continue in the curr financial year.

The cost of Customs and Exc administration was ab £123.3m., representing ab 1.66p for every £1 of net rever

66th Report of the Commissioners of HM Customs Excise for the year ended Ma 31, 1975. HMSO £2.35.

Scottish devolution plans trigger Labour revolt

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

ANOTHER small but significant sign of dissension has appeared in the Scottish Labour movement over the Government's recent proposals for establishing an elected Scottish Assembly.

About 20 Labour supporters and activists (including Mr. Alex Neil the party's recently-resigned Scottish research officer) yesterday announced that they had agreed in principle to the formation of an alternative and independent "Scottish Labour Party" to campaign for maximum devolution of economic powers, well beyond those proposed in the Government's White Paper.

Mr. James Sillars, MP for South Ayrshire, said he had agreed to act as the new group's Parliamentary spokesman.

He has resigned from both the Scottish Parliamentary Labour group and the Scottish regional executive of the Labour Party, each of which has decided to support the White Paper. He has, however, stopped short of resigning the Labour whip in the Commons.

Another possible Parliamentary recruit to the new group is Mr. John Robertson, MP for Paisley, who is disillusioned with the party's "minimalist" stance on devolution. He has said he is urgently considering his position.

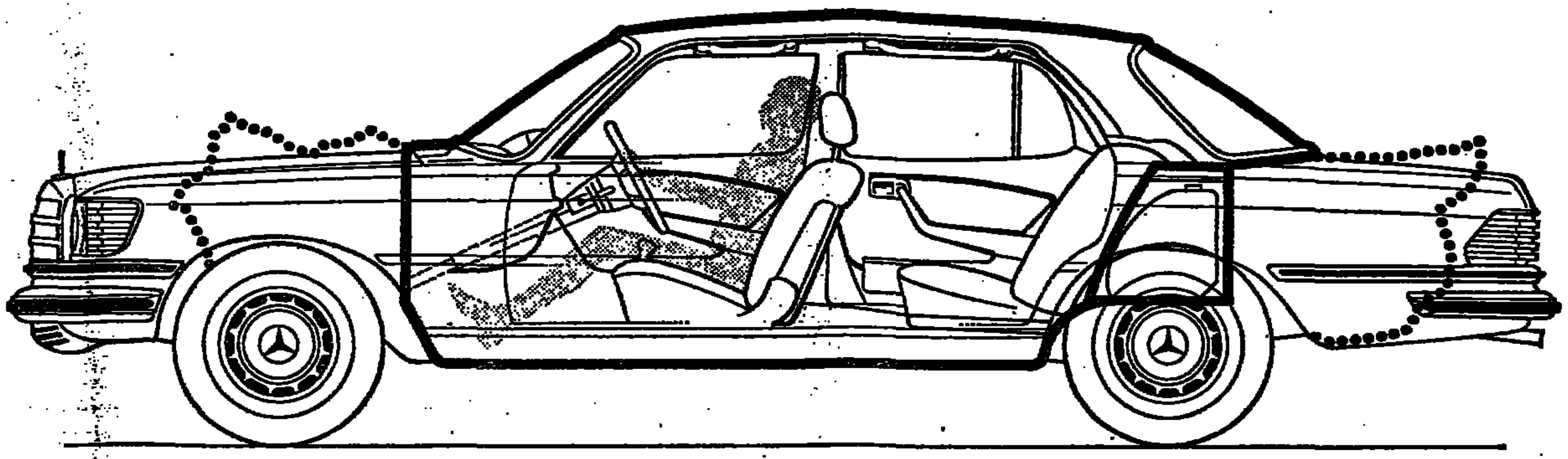
The new group formed after the latest public opinion poll, which showed that the Scottish National Party had overtaken Labour for the first time, appears convinced that it may gain Labour supporters whose disenchantment with the Government's handling of devolution is driving them to the SNP.

It has pledged to fight "within the United Kingdom framework" for a Scottish Assembly or Parliament with substantial economic, trade and industrial powers, and a shared responsibility with the U.K. Government for North Sea oil.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
NORWAY					
Geilo	40	50	Good	—	0
Lillehammer	10	45	Fair	—	—1
Norefjell	40	50	Good	—	—9
FRANCE					
Chamonix	10	60	Good	—	—
Courchevel	30	80	Good	—	—
Megeve	15	80	Good	—	—
Val d'Isere	60	100	Good	—	—
AUSTRIA					
Alpbach	10	40	Fair	—	0
Axamer-Lizum	—	90	Good	—	0
Berwang	40	60	Good	—	0
Brand	20	60	Good	—	—2
Gargellen	35	70	Good	—	0
Hochsolden	90	100	Good	—	—1
Igls	0	20	Poor	—	—1
Ischgl	20	30	Fair	—	—2
Kitzbuhel	10	50	Good	—	—3
Lech	40	80	Good	—	—2
Obergurgl	20	100	Good	—	—1
Saalbach	30	90	Good	—	2
St. Anton	15	110	Good	—	—2
Seefeld	20	70	Good	—	2
Serfaus	20	45	Good	—	0

As we invented the car we feel a special responsibility for its safety.



Safety was probably the last thing on Karl Benz's mind when he put the world's first car on the road in 1886.

Today, with around 250 million vehicles crowding the world's roads, it's a completely different story.

Safety is a priority.

But unlike many car manufacturers, who have been forced to go back to the drawing-board and re-think their attitude, safety has been a Mercedes-Benz feature for over 40 years.

We don't think our lead is something to be particularly proud of. Car safety shouldn't be competitive.

We maintain every car should be as safe as a Mercedes. And that every car should be based on our concept of total, integrated safety.

Every Mercedes is built around a central safety feature.

In 1951 we patented the world's first passenger safety cell. We then spent a further eight years perfecting it. And ever since it's been a reassuring feature of every Mercedes.

With impact-absorbing crumple-zones front and rear, reinforced pillars and roll-over protection in the roof.

It gives Mercedes drivers the kind of all-round safety to which we believe all drivers are entitled.

Progressively we've pioneered and developed every other kind of 'passive' safety asset. From the collapsible steering column, burst-proof locks, deformable, non-splintering materials, right down to the specially sprung three-pointed star on the bonnet.

Many of them have been Mercedes safety firsts we've been happy to see other manufacturers quickly adopt.

On most of our models we've even protected the petrol tank with a formidable steel shield. Because we feel that, if the worst should come to the worst, driver and passengers should stand the best possible chance of survival.

A Mercedes is designed to avoid trouble as well as survive it.

Nobody likes to talk about accidents and injury. Least of all us.

That's why you'll discover a Mercedes is equally strong on 'active' safety. (The phrase itself is another Mercedes safety original.)

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We don't think anyone will ever succeed in building the absolutely safe car.

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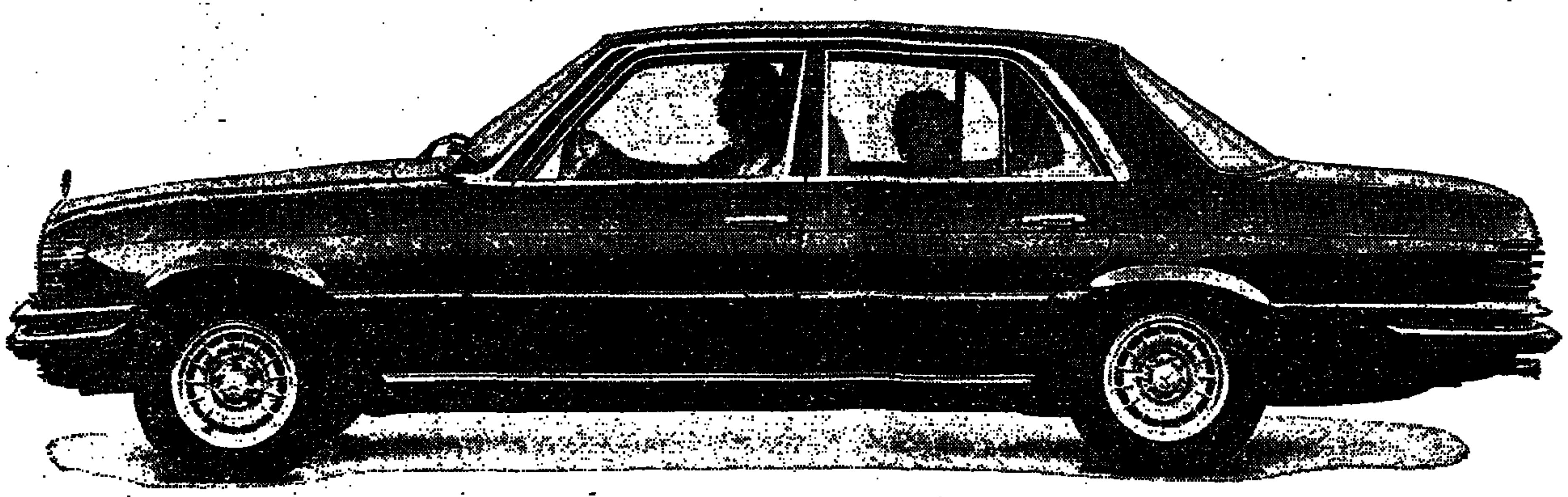
But we'll never stop trying.

Because, ultimately, we realise that the day we stop trying is the day people will stop preferring Mercedes-Benz.

Mercedes-Benz. The way every car should be built.



Mercedes-Benz (United Kingdom) Ltd., Great West Road, Brentford, Middlesex TW8 9AH. Telephone: 01-560 2151.

In the five months since Britain's membership of the EEC was confirmed, West Germany's attitude towards this country has shown a marked change. **Nicholas Colchester**, in Bonn, looks at the reasons for the apparent despondency.

A low ebb Anglo-German relationship awaits the turn of the tide

THE BRITISH anti-marketeers should visit Bonn this Christmas to find reassurance in the German despondency. They would see for themselves that Mr. Harold Wilson and Mr. James Callaghan are not surrendering Britain's sovereignty without a fight; they would find German diplomats and politicians *fuming* because Britain's special interests and special problems have dominated yet another attempt to reach a European compromise; they would read the Press and find Mr. Wilson equated to General de Gaulle, no less, as he holds fast to that which is British: and the British anti-marketeer would lap up the disappointment and the growing scorn and wonder whether the referendum was not a bad dream after all.

But the referendum was real and was a source of real satisfaction in Bonn. In June, Germans were glad to see a people, whose politics could apparently paralyse the principles of any government, come out with such an unequivocal "yes" to Europe and to European free trade. The German bill for British renegotiations was paid off at a stroke, and indeed a credit balance established. To-day, five months later, they say in Bonn that Britain has moved into the red again.

Adamant

These are the debits of recent months:

● The demand for a British seat at the North-South dialogue: Mr. Callaghan, the Foreign Secretary, chose a course that promised big disturbance for small returns. He pursued it adamantly all the way to the Rome meeting of the European Council, where Mr. Wilson compromised for him. West Germany had to forgo discussion of the Common Agricultural Policy (CAP) and Chancellor Helmut Schmidt was particularly angry.

● Direct elections to the European Parliament: A compromise was reached allowing Britain and Denmark a little more time to get used to the idea. As they were late entrants this was fair enough but a disappointment none the less from a country that Germany once expected to put the ginger into European democracy.

● EEC lorry driving rules and EEC pollution controls: Both are *normal European standardisation* problems where individual allowances must be made, but once again the German elbows are in while the British elbows are out.

● Import Controls: These go right against the grain of German economic thinking and symbolise the development that West Germany is most frightened of.

● British defence cuts: This could have led to a real row, but luckily Mr. Roy Mason, the Defence Secretary, was able to get his way in the Cabinet and leave Britain's defence commitments in Germany relatively unscathed. Bonn is still wondering how a country that has completed a defence review can now find cuts of another £175m. a year.

● Iceland: This will loom as a problem if the fishing dispute goes on much longer because in that case West Germany's own fishing agreement with Iceland will probably founder. Britain is technically right to have stood firm and Germany wrong to have conceded. But who will be the winner if the 200 miles limit becomes the international norm?

There are credits to be recorded against these debits. West Germany values British initiatives for new trade arrangements with the Third World. There was a shared desire to subject the European Community to a greater degree of financial discipline and this was partly satisfied in Rome. There is joint dissatisfaction wth some aspects of the CAP.

The debit balance that remains has had two effects at high level. It has particularly disturbed the German Chancellor because, to put it bluntly, it is making him look foolish. Herr Schmidt has long been openly convinced that the European Community would be incomplete without Britain. Not only German observers maintain that he was active in smoothing the way for Britain's renegotiation this summer. Herr Schmidt is now looking as if he had backed a poor horse. His assurances in interviews that the British will play their European part in time are looking more and more wistful.

Alliance

The other effect has been to *reinforce the rather shallow* alliance between Herr Schmidt and President Valery Giscard d'Estaing. It was said in Bonn during the British renegotiations that there were three practical reasons why West Germany wanted Britain firmly in the Community. The first was defence. The second was to neutralise a potential troublemaker by bringing it into the European club: for with the oil that then seemed more important, with a special relationship with parts of the Third World, and with special ties to a shifting America, Britain outside still had the potential to distort and to disrupt European foreign policy. The third was to prevent the EEC from reverting to a two-sided Franco-German affair with the potential for deadlock. Germany saw Britain as a friendly counterweight to France.

In the event, Britain has become the villain of the piece and allowed the French and German heads of State to hiss virtuously together. It is a paradox because in terms of the underlying relationship—people to people—there seems to be a greater affinity between Germany and Britain than there is between Germany and France. It may be hard to believe in the land that loves the Colditz story, but there is a readiness in Germany to admire British achievements and to attribute much of Germany's success to the fact that Germany lost the war.

At the moment this aspect of German public opinion is being subjected to something of a battering in the German Press. Last week one newspaper said that the moan "Always trouble with the British" would go on for some time. Another complained that *Britain was only interested in "Europe a la carte."* Talking about the recent argument in Rome, the very respected *Die Zeit* said: "The British Foreign Minister wanted to use the chance to create respect for the new oil-power of Great Britain. The card of a seat, justified by the defence of national interests, could not be played. The diplomatic failure made it painfully clear to the British that London had overestimated the possibilities of its influence and had become the victim of its own oil propaganda."

The squad of German correspondents in London has been catering for the *Schadenfreude* of their editorial offices for years and recent events in Great Britain have provided them with ample new material. Last Saturday *Die Welt* ran the first of a full page series called "England's glory—the sinking of the island state," and was full of wide-eyed wonder that what was so great is now so small. It is not only Britain that is pre-occupied with Britain's past.

Decadence

What can be said in the British defence? West Germany's view of the world is too tidy and imposes too much perfection. Much of Britain's inability to become avidly European is due to a situation rather than to an attitude: Britain has a deep-rooted economic problem and, even if many of its people know what that problem is, it it cannot be willed away overnight. West Germany is successful and is only now acquiring the first tinges of a decadence that Britain has bathed in for some time. Germany lacks the breadth of effective political spectrum that Britain must live with and, adhering to what is essentially a single economic philosophy, its leaders cannot understand why the answers to Britain's economic problem cannot be made acceptable to all. This is an attitude that applies to more than Britain. It extends all the way into Germany's emerging policies *vis à vis* the Third World, and it is fated to produce disappointments.

A chain of disputes has brought the Anglo-German relationship to a low point. Germans in Bonn hope that now the painful experience of Rome is over, the tide of events will flow in a different direction and the bad feeling will be borne away. It is unfortunate that Britain must now ask Germany for considerable sums of money in the form of a new offset agreement for the cost of Britain's forces on the Rhine. The prospect of this set of negotiations has the men in the German Foreign Ministry rolling their eyes towards the ceiling.

A major Anglo-German row was avoided when Mr. Roy Mason (left), the Defence Secretary, convinced the Cabinet to leave Britain's defence commitments in Germany relatively unscathed. But there have been several occasions in recent months when Herr Helmut Schmidt (right), the German Chancellor, has been unhappy about Britain's actions within the Community.

APPOINTMENTS

ICI divisional director

Mr. Robin Paul has been appointed a director of the ICI fibres division. He will be responsible for the textile staple business area from February 1, in succession to Mr. T. R. Macmaster, who is joining the Board of the organics division. Mr. Paul began his career with ICI's Mond division, subsequently becoming manager of Castner Kellner works. In January 1974 he was appointed head of the central personnel department's manpower planning group.

★

SHELL U.K. Yesterday's Financial Times announced the appointment of Mr. H. B. Greenborough, at present chief executive and managing director of Shell-Mex and BP, as managing director and deputy chairman of Shell U.K. from January 1. The heading to this announcement should have read "Shell U.K. executive post."

★

Mr. V. C. Richardson, Mr. B. C. Johnston and Mr. J. H. Sleeman have been appointed to the Board of CHARTERHOUSE JAPHET (JERSEY) formerly BSG Finance (Jersey), which has been acquired by Charterhouse Japhet.

★

Mr. C. R. C. Fryers, managing director of HUNSLET HOLDINGS, has been appointed group chief executive and elected chairman. Mr. P. J. O. Alcock, general manager and director, has become managing director. At the age of 70, Mr. J. F. Alcock has resigned as chairman and becomes president. Mr. Ian Alcock has been elected a director of the company.

★

Mr. David B. Robertson has succeeded Mr. Lyn Gardner as managing director of BP FAR EAST, Tokyo.

★

Mr. Erik Wilkinson retires as chairman of NORBURY PACKAGING and from the Board of the parent company, BEMROSE CORPORATION, at the end of the year, after 47 years with the group.

★

Lord Hinton of Bankside is to become the next president of the COUNCIL OF ENGINEERING INSTITUTIONS and will take office from February 10, the date of the council's annual meeting. Lord Hinton will succeed the Duke of Edinburgh, founder president of CEI since its inception in 1965. A former chairman of the Central Electricity Generating Board, Lord Hinton was president of the Institution of Mechanical Engineers 196[illegible] and is a Fellow of the Institution of Chemical Engineers and Honorary Fellow of the Institutions of Mechanical Engineers, Electrical Engineers, Engineers and Gas Engineers. [illegible] was elected a Fellow of the Royal Society in 1954.

★

Mr. J. L. Dickinson, recently retired as managing director of SKF(U.K.), has [illegible] appointed a director of MA[illegible] TEX. Mr. Dickinson is chairman of British Rail's Northern B[illegible] and a part-time member of National Enterprise Board.

★

Mr. N. B. Anscombe has [illegible] appointed chairman of N[illegible] (CONTROLS) and relinquishes position of chairman managing director. Mr. D. L. G. Edw[illegible] succeeds him as managing director and Mr. J. G. Whyte [illegible] appointed assistant managing director. Two new directors [illegible] the Board: Mr. J. R. Wardle technical director and Mr. C. Anscombe as production director. Mr. Edwards and Mr. Whyte also serve on the Board GRENWAY ELECTRONICS.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 315[illegible] ENGLISH NATIONAL OPERA Tomor. 7.30 La Belle Helene. Sat 4.30 & Tue 5.30 The Valkyrie. Wed. 8.00 Salome.

COVENT GARDEN. 240 1066. THE ROYAL OPERA Tonight at 8.00 Benevolent Fund Gala L'elisir d'amore. Further perf. Mon. 7.30 Some seats avail. THE ROYAL BALLET Tomor. 7.30 & Sat. 2 Romeo & Juliet. Sat. 7.30 The Four Seasons, Rituals, Petrushka. Tue 7.30 Cinderella. Seats available Sat. mat. only.

SADLER'S WELLS TH. Rosebery Ave., EC1 837 1672 Recorded bkg. inf. 278 5450. Until March 20. Evs. 7.30 Mats. Weds. Sats. & Dec. 23 26 at 2.30. D'OYLY CARTE in GILBERT and SULLIVAN Tonight tomor & Sat. The Pirates of Penzance. Mon. & Tue. Iolanthe

THEATRES

ADELPHI. 01-836 7611 Evgs 7.30. Mat. Thur. Sat. & Box Day 3.0 JEAN SIMMONS ANGELA BADDELEY JOSS ACKLAND in A LITTLE NIGHT MUSIC "Music that ravishes the senses a show kissed with genius." Guardian. Seats available for Matinee today

ALBERY. 836 3878 Repertory Season. Today at 3. Sat. at 8.15. Mon Tue and Wed. at 8. Boxing Day 4.45 DOROTHY TUTIN TIMOTHY WEST DEREK JACOBI JOHN TURNER "AN ECSTATIC EVENING" S. Tel. A MONTH IN THE COUNTRY "SO VERY FUNNY" D. Mirror. Tonight and tomorrow 8 Mat. Sat. 4.45. Boxing Day 8.15. JANE LAPOTAIRE TIMOTHY WEST PAULINE JAMESON LYNN FARLEIGH "IMMENSELY CHARMING." S. Tel. ROOM WITH A VIEW "ENCHANTING EVENING." Punch.

ALDWYCH. 836 6404. Inf. 836 5332 Royal Shakespeare Company FOR FOUR WEEKS ONLY Graham Greene's new comedy THE RETURN OF A. J. RAFFLES Evenings 7.30. Mat. Wed., Sat. 2.30.

AMBASSADORS. 01-836 1171-3212. Evenings 8.00. Mat. Tues. 2.30. Sat. and Boxing Day 5.30 and 8.30. HAPPY AS A SANDBAG THE WONDERFUL HIT MUSICAL "Delightful. Don't miss it." D. Exp.

APOLLO THEATRE. 437 2663. RONALD PICKUP in The Award-Winning Comedies by ALAN AYCKBOURN THE NORMAN CONQUESTS "BEST PLAY OF THE YEAR" Evening Standard Drama Award. R'ND & R'ND THE GARDEN. Tnt. 8.15. Sat. 8.30 Wed. 3.00: TABLE MANNERS. Tomor., Mon. Wed. 8.15. LIVING TOGETHER. Sat. 5.30 Tues. 8.15.

ARTS THEATRE CLUB. 836 2132. Great Newport St. (adj. Leic. Sq. Underground) Instant temp. membership avail. 15p. Evgs. at 6 Ends Sun ANNIE ROSS MIRIAM MARGOYLES KENNEDY'S CHILDREN "A blockbuster" Clive Barnes, NY Times

CAMBRIDGE THEATRE. 836 6056 Michael DENISON Derek GRIFFITHS THE BLACK MIKADO "The Best Musical of 1975." S. Times. Eves 8.0. Boxing Day, Dec. 27, Jan. 1 2 & 3 at 5.0 & 8.15. NO PERF DECEMBER 25

CASINO THEATRE. 01-437 6877. Opens tonight 7.0 tomor. 7.30 Subs. Twice Daily 2.30 and 7.30. NO PERFS DECEMBER 24 and 25 DANNY LA RUE in a New Family Xmas Show QUEEN DANNIELLA

COMEDY. 930 2578. Evgs. 8.00. Sat. at 5.30 and 8.30. Matinees Thurs. 3 FRANCIS MATTHEWS LEIGH LAWSON AMANDA BARRIE "Samuel Taylor's joyous comedy." E.N. A TOUCH OF SPRING "Effervescent direction by Allan Davis." "THE AUDIENCE were WEAK with LAUGHTER." Fin. Times "THE FROLIC IS SUCH FUN." Evg. News.

CRITERION. 930 3216. Evgs. 8.15. Mats. Thurs., Sat. 5.00. Season extended Tom Stoppard's ROSENCRANTZ AND GUILDENSTERN ARE DEAD. "I strongly recommend it to anyone." Fin. Times.

DRURY LANE. 01-836 8108. Evgs. 7.30. Matinees Wed. and Sat. 2.30 MICHAEL CRAWFORD in BILLY. A NEW MUSICAL "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS. 836 8243 Evgs. 8.0. Fr., Sat. Box day & Dec. 29 at 6.15 & 9.0. THEATRE CLOSED DECEMBER 22-25 OH! CALCUTTA! NOW IN ITS 6th YEAR "Breathtakingly Beautiful." S. Tel "The Nudity is Stunning." D. Tel.

DUKE OF YORK'S. 836 5122. Mon. Th. 8. Fr., Sat. & Boxing Day 5.30 & 8.30 LESLIE PHILLIPS ROY KINNEAR "Two of the funniest men of the British Stage ... Laughs come thick and [illegible]" ROGER'S LAST STAND

DUKE OF YORK'S. 01-836 5122 Richard Goolden Jan Talbot in TOAD OF TOAD HALL Mats Dec. 22 to Jan. 17 Book Now

FORTUNE. 836 2238. Mon to Thurs 8.0 Fridays 9.0 Sat. 6.30 and 9.00 BOXING DAY One Perf at 3.0. THE CHARLES PIERCE SHOW "DEVASTATINGLY FUNNY" D. Mirror "WICKEDLY FUNNY" Evg. News

GARRICK. 01-836 4601. Evgs. 8.15 Sat. & Boxing Day 5.3 & 8.40. RICHARD BRIERS "Marvellous." Gdn. ABSENT FRIENDS ALAN AYCKBOURN'S FINEST FUNNIEST PLAY. H. Hobson. S. Times

GLOBE. 01-437 1592 Evenings 7.30 Mats. Wed. Sat. and Boxing Day 3.0 RSC—FOR 11 WEEKS ONLY JUDI DENCH IAN McKELLEN ANNA CALDER-MARSHALL in TOO TRUE TO BE GOOD by Bernard Shaw

GREENWICH 858 7755 Tnt. tmr 8.00 Beckett Evening: Sat. 2.30 and 8.00 Krapp's Last Tape and In Memory of Carmen Miranda.

GREENWICH. 858 7755. Dec. 26-Jan. 3 CAMELOT PIE FAMILY XMAS SHOW. Mats. 2.30. Evgs. 8.30 (Jan. 2 mat only) and HINGE AND BRACKET at 9.15

GREENWOOD. London Bridge. 403 0392 [illegible] Dec. 23. Stars of TV's "Black Beauty." £2.00, £1.75, 60p CINDERELLA

HAYMARKET. 930 9832 Evenings 8.0. Mat. Wed. 2.30 Sat. 5.00 & 8.15. Edward Woodward Geraldine McEwan Jennie Linden Edward Hardwicke in Frederick Lonsdale's ON APPROVAL "YOU SHOULD RUSH TO SEE IT." D. Tel. "IT GOT MY APPROVAL." E. News.

HER MAJESTY'S. 930 6606 Evgs. 8.00. Mats. Wed. at 2.30. Sats. 5.45 & 8.30. Boxing Day 3 and 8. The New Hit African Musical IPI TOMBI "Pulsating Musical." Evg. News. "The huge cast is superb." Sun. Times

KING'S ROAD THEATRE. 352 7488 Mon. to Th. 9.0. Fri. Sat 7.30, 9.30 Boxing Day at 7.30 only THE ROCKY HORROR SHOW "BEST MUSICAL OF THE YEAR" Evening Standard Drama Award

LYRIC. 01-437 3686. Evenings 8.0. Mat. Wed. 3.0 Sat. 5.0 and 8.30. JOAN PLOWRIGHT, HELEN MIRREN, JOHN MOFFATT, FRANK GRIMES in A new comedy by BEN TRAVERS THE BED BEFORE YESTERDAY "Wittiest sex comedy of the year" Exp. "The Seagull" returns Jan. 1 in Rep.

MAY FAIR THEATRE. 01-629 3036. Evenings 8.15. Sat. 5.30 and 8.30. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER "Michael Frayn's comedy is a delightful Experience." E. Standard. Last week.

MAY FAIR. 493 2031. From Dec. 22. SOOTY'S CHRISTMAS SHOW Daily 2.00, 4.00. Sat. 10.30, 2.00, 4.00.

MERMAID. 248 7656. Food 248 2835. Until Jan. 17. Booking Now! Mats. daily 2.00 and 5.00. Evenings Jan. 2, 3 & 10, 17 at 8.15. Swift's GULLIVER'S TRAVELS with Mike D'Abbo, William Rushton.

NEW LONDON. 01-405 0072 Opens today 2.30 & 5.30. Until Jan. 24. Daily 2.30 & 5.30. Sat. 2.00, 5.00, 8.00 (NO PERF. XMAS DAY) SPIKE MILLIGAN, BERNARD MILES in The Mermaid Theatre's Award Winning Production of TREASURE ISLAND

NEW LONDON. 405 0072. Comm. Jan. 1. BRUCE FORSYTH in his own "one man" laughter show.

NEW VICTORIA. 01-834 0671. Opens Dec. 26 at 7.30. Mon.-Fri. 4.30 & 7.30. Sat. 2.30 & 7.30 David Hamilton, Adrienne Posta, Sally James, Christopher Beeny, Jenny Tomasin, Tommy Vance and Kenneth Connor in ALADDIN.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Today at 2 (Reduced price Mats.) Wed. at 7 HAMLET Uncut text runs 4 hours. Note early start. Tonight at 7.30 JUDGEMENT Tmr. Tues. 7.30. Sat. 2.15 & 7.30. PLAYBOY OF THE WESTERN WORLD Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834. Mon. to Th. 8.00. Fri., Sat. and Boxing Day 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373 Twice Daily at 2.45 and 7.30 LULU, RON MOODY, RACHEL GURNEY in PETER PAN

PHOENIX. 836 8611. Until Jan. 10. A. A. Milne's WINNIE THE POOH Mats Daily 2 p.m. and Tues Sat. 11 a.m.

PHOENIX THEATRE SEASON 1976 January 21 for 8 weeks only ROCK HUDSON JULIET PROWSE "I DO! I DO!" Nightly at 8.00. Mat. Thurs., Sat. 3.00. Tel 01-836 8611

PICCADILLY. 437 4506 Mon.-Thurs 8.0 Fri. Sat 6.00, 8.40. ROYAL VARIETY HIT SHOW KWA ZULU "Probably the most compulsively enjoyable musical show in London." F.T. "A joyous occasion indeed." Sun. Exp. Now booking to Feb. 1976

PICCADILLY. 437 4506 Opens Monday for 3 weeks only Twice daily at 11 a.m. and 2.30 p.m. CHARLES DICKENS CHRISTMAS CAROL The story of Scrooge

PRINCE OF WALES. 01-930 8681. Evgs. 8.0 Fri. Sat. 5.30, 8.30 NO PERFS DECEMBER 24 & 25 HARRY SECOMBE "[illegible]" D. Mir. in THE PLUMBER'S PROGRESS.

QUEEN'S THEATRE. 01-734 [illegible] Evenings 8.0 Mats. Thurs. 3.0, Sat. 5.30, Boxing Day 5.30 and 8.30. (NO PERFS Dec. 22-25) ALAN BATES in OTHERWISE ENGAGED A New Play by SIMON GRAY Directed by HAROLD PINTER

RAYMOND REVUEBAR THEATRE. [illegible] 1593 At 7 p.m. 9 p.m. 11 [illegible] PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75 Closed Christmas Day only. Opens on Sundays from Jan. 4

REGENT. 323 2707. Evenings [illegible] Fri. and Sat. at 7.00 and 9.15 Boxing Day one perf. at 9.15 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE 70s LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening [illegible] 100 tickets held for sale at [illegible]

ROUNDHOUSE. 267 2564. Evgs 8 [illegible] Dec. 20 26 27 30 & 31 at 5 LE GRAND MAGIC CIRCUS

ROYAL COURT. 730 1745 Last Ton't & Tomor. 8. Sat. 5 & 8.30 TOM COURTENAY in THE FOOL by EDWARD BOND

ST. MARTIN'S. 836 1443. Evenings [illegible] Tues. 2.45. Sat. and Bxg. Day 5.00, [illegible] AGATHA CHRISTIE'S THE MOUSETRAP World's longest ever run 24TH [illegible]

SAVOY. 836 8883 Evenings [illegible] Mats. Wed. at 2.30 and Sat. 5 [illegible] Barbara MULLEN, Derek BOND AGATHA CHRISTIE'S MURDER AT THE VICARAGE

SHAFTESBURY. 836 6596. Evgs. [illegible] Mats. Sat. Boxing Day Dec. 27 3. [illegible] Jan. 1 at 3.00. NO PERF DEC. [illegible] ARTHUR LOWE JOHN LE MESURIER, CLIVE DUNN DAD'S ARMY "Funny and touching ... total success." Sunday Times.

SHAW THEATRE. 01-388 [illegible] KIDNAPPED AT CHRISTMAS A New Comedy for Children by [illegible] HALL. This week until Fri. 1 [illegible] & 2.30. Sat. 2.30 only. From D[illegible] to Jan. 10 at 2.00 & 5.00. Dec. 2[illegible] at 2.00 only (No perfs. Dec. 25)

SHAW THEATRE. 01-388 [illegible] 7:84 Theatre Co. England presents YOBBO NOWT by John McGrath Last week—Evenings 7.30.

STRAND. 836 2660. Evenings [illegible] Mats. Thurs. 3.00. Sat. 5.30 and [illegible] DORIS HARE RICHARD CALDICOT, ANDREW [illegible] NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis. LONDON'S LONGEST LAUGH. 5th [illegible] Christmas parking allowed [illegible]

TALK OF THE TOWN. 01-734 [illegible] From 8.15. Dining and Dancing [illegible] New Revue SWEET TEMPTATION and at 11 p.m. ROLF HARRIS

THEATRE ROYAL, STRATFORD. 01-534 0310. Evs. 8. Sat. Ma[illegible] NICKLEBY AND ME! A New Dickens Musical for all the family.

VAUDEVILLE. 836 9988. Evgs. a[illegible] Tue. 2.45. Sats. and Bxg. Day at [illegible] Margaret LOCKWOOD Paul DANEMAN and Barry [illegible] DOUBLE EDGE "SUPERB the cleverest who-dun-it seen for years." Dly. Tel. Nearby Streets NOT affected XMAS Parking restrictions

VICTORIA PALACE. 834 1317. E[illegible] Wed. Sat. & Box day 6.0 & [illegible] MIKE YARWOOD In "The Time of Your Life" a greatly enjoyable revue.

WESTMINSTER. 834 [illegible] Evgs. 7.30. Wed. and Sat. 2.[illegible] Chichester Festival Theatre [illegible] A NEW CHRISTMAS MUSICAL FOLLOW THE STAR "THE PERFECT FAMILY SHOW" Addtnl. Mats. Today Dec. 30.

WEMBLEY EMPIRE POOL. Opens at 7.45, then Twice Daily at 2.00 [illegible] Dec. 24 at 2.00 only. Dec. 26 [illegible] Sats. 2, 5 3. LAVISH ICE [illegible] DICK WHITTINGTON Children and OAPs half price mat[illegible] Ample parking. 01-90[illegible]

WHITEHALL. 930 669[illegible] Evenings 8.00 Fri., Sat. 6.15 [illegible] BOXING DAY at 8.45 only WHAT THE BUTLER SAW "FUNNIEST PLAY IN LONDON" MUST END JANUARY 10

WINDMILL THEATRE. 43[illegible] PAUL RAYMOND presents LET'S GET LAID Twice nightly at 7.00 and 9[illegible] 2nd SENSATIONAL YEAR Closed Christmas Day only

WYNDHAM'S. 836 [illegible] Monday-Friday 8.0 Sats. 5.0 [illegible] JOHN GIELGUD RALPH RICHARDSON National Theatre Production HAROLD PINTER'S NO MAN'S LAND Directed by PETER HALL "GREAT ACTING AT ITS H[illegible]" Evg. News Must end [illegible]

YOUNG VIC (by Old Vic) 92[illegible] Tonight 7.00 CHARLEY'S AUNT

CINEMAS APPEAR ON PAGE 15

LABOUR NEWS

BBC faces 24-hour news blackout

By Our Labour Staff

Union representatives of 300 BBC radio and TV journalists yesterday called for a 24-hour news blackout from 10 a.m. on December 29.

They decided to reject demands for a three-day strike over Christmas after considering the voting at chapel (office branch) meetings about the issue of payment for working "unsocial" hours.

The decision has to be endorsed by officials of the National Union of Journalists.

The 18-month-old dispute involves a claim that all BBC newsmen should receive the annual £400 unsocial hours payment already received by some of them. In many cases the payment is £230 a year.

Alcoa may stop building mill because of strike

BY LORELIES OLSLAGER

THE U.S.-owned Alcoa said yesterday it was "calculating the costs" of ending construction of a £35m. aluminium rolling mill in South Wales, because of an eight-week-old unofficial strike over redundancies on the site.

The strike does not involve Alcoa directly, but its electrical contractors.

The company would not comment on the strike yesterday, but said that it was "in consultation with individual contractors calculating the costs of terminating the project."

The new complex, on the site of an existing Alcoa mill at Waunarlwydd, near Swansea, is to produce rigid container sheets for the packaging industry. It is one of the most advanced plant of its type in Britain.

Some equipment on the site has already been commissioned and production was expected to start in earnest in the spring and summer. The whole complex was scheduled for completion by the end of next year.

The strike started when Holliday Hall, an electrical contractor employing 63 workers on the Alcoa site, gave notice to 29 because there was no further work for them.

On October 23, more than 300 mechanical construction workers came out in sympathy with the electricians. Civil engineering workers were prepared to continue working, but were prevented from entering the site by picket lines.

Agreement

Since the strike began, Alcoa has ended its contract with Holliday Hall by mutual agreement and the remaining 34 electricians have been made redundant.

The other electrical contractor on the site, N. G. Bailey, agreed to take on the 34 and another 15 skilled men from among the first 29 men made redundant.

Under an agreement with the Electrical and Plumbing Trades Union, however, N. G. Bailey is obliged to employ all future labour from local unemployed men and six of the former Holliday Hall workers do not live in the area.

N. G. Bailey therefore refused to give them jobs and it is over these six "travelling men" that the dispute continues.

EPTU officials have repeatedly urged the men to return to work. To-day, officials of all four unions with members involved will meet to discuss the situation.

TGWU puts forward closed shop plan for UK trawler men

BY OUR OWN CORRESPONDENT

A CLOSED shop for Britain's 7,000 trawlermen is being demanded by the Transport and General Workers Union as part of a plan—similar in intent to the controversial dock labour scheme—to "decasualise" the industry.

The union yesterday published an eight-point plan which seeks nationalisation of the industry and a statutory registration scheme administered jointly by the TGWU and trawler owners at national and port level.

Only registered employers should be allowed to operate and only registered fishermen be ployed at ports covered by the scheme. There should be wage and job protection clauses.

Criticism

The plan has been sent to Mr. Michael Foot, Employment Secretary, who is facing a barrage of criticism for his Bill greatly to extend registered dockwork—also a TGWU domain—and to Mr. Fred Peart, Minister of Agriculture.

Mr. David Cairns, TGWU official in charge of fisheries, said yesterday the union wanted any future subsidy of the industry to be tied to employers' acceptance of the proposals.

These include full implementation of the Holland-Martin inquiry recommendations about safety at sea, alongside the provisions of the Health and Safety at Work Act.

Agreement

There should be a 100 per cent. union membership agreement, and sickness, pension and holiday pay. Trawler operations and fish processing should be brought into public ownership "at the earliest possible date."

Worker-representation on the new authority should be 50 per cent. and composed of union-elected members.

Mr. Cairns said an early meeting with the Ministers was being sought, and the proposals would also go to the EEC Fisheries Committee as a basis for European agreement.

Military chief concerned over defence cuts

BY MICHAEL DONNE

CONCERN ABOUT the possibility of further severe cuts in defence spending and their effect on the RAF in particular, was expressed yesterday by Air Chief Marshal Sir Andrew Humphrey, Chief of the Air Staff, who is to become Chief of the Defence Staff in August.

Sir Andrew, in one of the first public attacks by a high-ranking officer on cuts now being discussed, told the Air Public Relations Association that the RAF had only 13 per cent. of the combat aircraft it had in 1957—an 87 per cent. reduction when the balance of power in conventional forces was swinging against the West.

"This worries me seriously." he said. "In spite of detente, the build-up of Soviet and Warsaw Pact conventional arms amounted to a 3-5 per cent. growth in spending in each of the past ten years.

"Russia is now building 1,700 military aircraft every year, of which 700 are of the latest high-performance types. In spite of this, there are still those who believe that it is Russian intentions which count more than their military strength."

The future security of the Western Alliance lay in air power, with the importance of air transport capabilities increasing all the time. The biggest menace to surface shipping would come from Soviet high-performance aircraft rather than submarines.

With the U.K.'s air defences virtually dismantled by the earlier Defence Review, there was a growing threat from such Soviet aircraft as the Backfire, Fencer and Foxbat.

Sir Andrew strongly defended the Anglo-German-Italian Multi-Role Combat Aircraft. The "Air Defence Version," reported to be among candidates for defence cuts, would be a very effective weapon. Continuation of the "common version" for the three air forces involved was vital for the future strength of the West.

Ferrybridge 'trouble likely'

BY OUR OWN CORRESPONDENT

SHOP-FLOOR bitterness at the Ferrybridge "C" power station, Yorkshire, over the membership by the so-called "Ferrybridge Six" of the small, unrecognised Electricity Supply Union would lead to an "intolerable" situation if the men were reinstated.

Industrial or strike action would be "a very high probability indeed," the Leeds industrial tribunal hearing the claim for unfair dismissal by the six men was told yesterday.

Mr. Robert Barrington Davis, the Central Electricity Generating Board's regional personnel manager, said: "We have clear evidence that there is divided opinion at Ferrybridge "C" among the staff on this issue."

He was giving evidence, on the tenth day of the tribunal hearing about what the CEGB expected to happen if the tribunal decided to recommend the reinstatement of the six power station workers.

Reinstatement

"If the applicants were reinstated we would be faced with a very serious industrial relations problem arising from the bitterness which has arisen in recent months.

"I think the vast majority of the NJIC unions' members (the Transport Workers, Electricians, General and Municipal Workers and Engineers) who worked with them would find it a totally intolerable situation in that you have a group of staff enjoying the advantages of NJIC agreements and everything that has been done to develop excellent working conditions and pay scales without having any of the responsibilities which go with that." said Mr. Davis.

"Ferrybridge 'C' is a very important station. It is a high efficiency and low cost station and it has a very strategic position in the transmission system which makes it one of the most important stations in the North. Any serious industrial relations problem there, which might very well involve us in strikes and loss of production, would be extremely important.

"If the Board reinstated the applicants following a success in these proceedings there would be a very high probability indeed of industrial action at Ferrybridge 'C.'"

Re-engagement at another power station in Yorkshire might give rise to "less serious" difficulties and the same kind of industrial problems.

The hearing continues to-day, when counsel will begin their final submissions.

Inquiry seeks evidence

BY OUR LABOUR STAFF

THE Committee of Inquiry set up by the Government to consider how a "radical extension" of industrial democracy through workers' representation on company Boards is to be achieved has called for written evidence to be submitted by March 1.

The committee said that it would not send individual letters of invitation for evidence.

Chairman of the committee is Professor Alan Bullock, of Oxford University. It will consider how the desired extension of industrial democracy can best be achieved and, "having regard to the interests of the national economy, employees, investors and consumers," examine the implications for efficient management of companies and company law.

Evidence should be addressed to: The Secretary, Committee of Inquiry on Industrial Democracy, PO Box 23, London EC1A 2NR.

Jobs Appeal

Employment officials at Corby, Northants have appealed to local concerns to help to reduce the number of unemployed. More than 1,500 of the town's 16,000 workers are jobless.

British Airways hopes to make small profit

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS still hopes to end the financial year in March "in the black"—but only by a small margin—and any significant recovery is not likely before 1976-77.

This view has been expressed by Sir David Nicolson, chairman, who is leaving the airline after 4½ years at the end of this month to return to private industry. Sir David will become chairman of Rothmans International and will be succeeded at British Airways by Sir Frank McFadzean.

Sir David said that the past year had been difficult for the airline, as it had for the entire world air transport industry. The decline in the value of the pound represented an overall net loss to the airline.

Political troubles in parts of the world where it flew regularly—the Middle East, Portugal and Cyprus, for example — represented one blow after another.

"We still may be in the black despite all this, but it will be no very great shakes"—although he added that traffic had been improving in the past month.

Last financial year British Airways made a £5.4m. trading profit, but a £9.4m. net loss after taxation and interest.

Commenting on his decision to return to private industry, Sir David said that while there was still a good deal more to do in cementing the integration of the former BOAC and BEA into British Airways, he thought the merger was now firmly established.

British Airways last year lost less than many other major airlines. It now had a bigger share of the world market, resulting from its greater sales aggression, and its cost performance was better.

"But it is now an ongoing process and it really needs me no longer."

On Concorde, Sir David said that British Airways was determined to start fare-paying passenger services on January 21, along with Air France, despite all the difficulties still involved, such as lack of formal route authorisations and discussions on pilots' pay.

'Senseless waste' attacked

By Our Labour Staff

IDUSTRY is witnessing a sense-ss waste of potentially skilled anpower, Mr. John Cassels, ewly-appointed director of the anpower Services Commission, id yesterday.

Speaking in London on the nployment and training of ung people on the day the vernment announced new employment measures, he said that long-term strategy must be rked out to meet the needs of nation.

The present situation could not allowed to continue, he told British Association for Commercial and Industrial Education.

"It cannot make sense to go not training the craftsmen l technicians we need for the ure. It can't make sense to n 300,000 young people loose h year at the age of 16 and 'that's your lot'."

He described as a "tragedy industry" the high unemploynt among school-leavers. asures backed by the Commisn would provide over 32,000 ining opportunities.

The country must also ensure t young people unfortunate ough not to get jobs were not out in the cold.

UCATT rule changes are expected soon

BY CHRISTIAN TYLER, LABOUR STAFF

RULE CHANGES inside the biggest construction union, which will give local officials power to call official strikes and allow Communists to join in union political discussions, are expected to be announced shortly.

Results of voting by branches of the Union of Construction, Allied Trades and Technicians are likely to show a majority in favour of a large package of reforms.

The union committee that drew up the proposals will meet shortly to hear the results and announce a date, probably next spring, when the changes will be introduced.

The changes mean that UCATT's regional councils will have authority to declare a strike official—a move that the union believes will force employers to give greater attention to local disputes but which, it says, would settle more disputes than it creates.

UCATT also expects to be able to exercise greater control over vacancies and employment through full-time branch secretaries making sure employers notify the union of new contracts as they are required to do under the industry's existing national agreement.

In addition, regional officials will be subject to election every five years instead of only twice during their period of office, and a ban on Communists taking part in political debate at branch level may be lifted.

The reforms could strengthen the hand of militants seeking office at local level.

At national level, a contest is already under way between Left and Right for seats on the union's 15-member general council. Results of the elections are expected next month.

NUR chief apologises to Speaker

By Our Labour Staff

Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, has apologised to the Speaker of the House of Commons for saying that the union's ten sponsored MPs might be instructed to vote against the Government.

He said in a letter to the Speaker: "At no stage would such instructions ever be issued by myself or any other officer of the union."

Mr. Weighell's outburst came on Tuesday during a demonstration by railmen against cuts in the service. He modified his remarks by explaining that he meant that NUR-sponsored MPs should not vote for any measures that would lead to cuts.

Meanwhile, he has asked for a meeting before Christmas of Mr. Anthony Crosland, Environment Secretary, and all three rail unions to discuss reports of a major cut.

The request came after an angry exchange on Tuesday when Mr. Crosland said in the Commons that reports that the network might be cut by a third were "codswallop" and Mr. Weighell called the Minister a "bloody liar."

Mr. Weighell will see the Prime Minister to-morrow as part of the TUC's nationalised industries committee which is going to Number 10, Downing Street, for talks on the railways and steel industry.

Conservative MP Sir John Langford-Holt said last night that after hearing the apology, he would not pursue the question whether Mr. Weighell's threat was a breach of Parliamentary privilege.

PARLIAMENT

Left reflation hopes dashed

Tories attack Healey's jobs proposals as irrelevant

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

UNWRAPPING his package of measures in the Commons yesterday, Mr. Denis Healey, Chancellor of the Exchequer, found no disagreement from either side of the House when he acknowledged that his proposals would have no massive impact on the economy.

But his firm claim that they would save and create jobs, and reinforce the attack on inflation, was immediately rejected by Sir Geoffrey Howe, "shadow" Chancellor.

The new moves were irrelevant, declared Sir Geoffrey. He dismissed Mr. Healey's contentions that they would encourage industry in the world recovery that was now under way.

In Sir Geoffrey's view, the Chancellor's package was little more than a parcel of cosmetics, and so far as the U.K. was concerned, the Tories saw little chance of the heralded recovery.

Even on the Labour backbenches, the reception for Mr. Healey was lukewarm. At one point, after Left-wingers had interrupted his Christmas offerings, he went so far as to urge the voluble Mr. Dennis Skinner to "keep his trap shut."

In current circumstances, the Chancellor insisted, there was no scope for general demand reflation, and any hope that the Left-wingers might have had that he would take on the role of Santa Claus was killed forthwith.

Mr. Healey said that by the second half of this year, prices would be rising at between 12 per cent. and 16 per cent. And by the end of next year, the 12-month rise in prices should be down to single figures.

Mr. Healey pointed ou that these price rises would meet his Budget forecast. He said: "There is real progress to report and more to expect. Nevertheless, our inflation rate is still well above that of our competitors, and it may well remain higher right through next year."

"Under present conditions, there is no scope for seeking to reduce the level of unemployment by a general reflation of domestic demand which is financed from the public purse."

It seemed likely that our current deficit this year would be only half that of 1974. "But the increase in output we expect next year is bound to increase our imports and the terms of trade are more likely to move against us than in our favour. So we shall be hard put to continue improving our balance of payments at the same rate as this year.

Fast start

Mr. Healey said there were signs that the recession was bottoming out. "Yesterday's index of industrial production adds colour to this view."

Mr. Healey recalled that in September £30m. was allocated to the Manpower Services Commission for a scheme to create useful short-term jobs for young people and others in areas of high unemployment.

"We expected that at its peak this scheme would provide the equivalent of 15,000 jobs lasting 12 months. The scheme has in fact got off to a very fast start."

The response had exceeded all expectations. "Over 1,000 applications were received in the first two months, requesting a total grant of over £16m. So far, 276 projects have been approved, providing 4,000 jobs."

Since, however, some projects might last rather less than 12 months, there was a risk that, if the present rate of response continued, the scheme could pass its peak too quickly.

The commission believed that there were opportunities to extend the scheme rather more widely outside the development areas. "We have, therefore, decided to increase the allocation by one-third, that is by another £10m. We shall of course be keeping the scheme under review. On the basis of the original pattern of applications, many of the jobs would last less than 12 months."

The increased allocation would help about 35,000 people, mostly young people.

Mr. Healey said that the Government was determined to organise a substantial further expansion of training facilities and introduce further measures to assist the mobility of workers in time for the upturn.

"We shall be considering proposals for this purpose from the Manpower Services Commission early in the New Year."

Way out

On his import control measures, Mr. Healey said: "No country would suffer more than Britain from an international trade war, since we depend more on world trade than any of our competitors.

"That is why we cannot accept the proposal made in some quarters that we should seek to solve our problems through imposing import controls for a long period over a whole range of manufactured consumer goods."

"Recession affects all major western industrialised countries. All of them are suffering from under employment and the under utilisation of their industrial capacity.

"In these circumstances action of a general nature by the U.K. would risk retaliation against our exports and in the process we could finish by dragging the country down into the sort of prolonged depression which it experienced in the great slump of the 1930s.

"For this reason, we have agreed with our major trading partners in the OECD that we should seek rather to work our way out of the present recession through a co-ordinated programme of expansion. Inevitably it must be the countries with a relatively strong balance of payments and low inflation rate who have to take the first steps."

Mr. Healey added: "We agreed at Rambouillet that world recovery is now under way, although vigilance and adaptability will be required to prevent the recovery from faltering.

"I believe the major industrial countries are now fully aware that, besides their national objectives they have international responsibilities to which their policies must be adjusted. It is against this background that we have decided to introduce some temporary further restraints on our imports in a limited number of areas.

On textiles and clothing, Mr. Healey said: "Imports from low-cost sources have posed a major problem for our industries. A wide range of imports from these sources were already subject to restrictions at the beginning of this year.

"In the last few months the European Community has negotiated new arrangements and taken emergency action pending new agreements under the GATT multi-fibre arrangements which has considerably extended the range of these restrictions."

Mr. Healey added: "Virtually all imports of textiles and clothing from low-cost sources are now subject to control. In particular, whereas before this action only a small range of clothing was subject to restriction, now nearly all varieties of clothing from significant low-cost sources are controlled.

"We are first of all taking steps to add to our existing restrictions on cotton yarn by placing quotas on cotton yarn from Spain. Spanish cotton yarn has hitherto been a small industry, and its exports to the U.K. were not restricted.

"But in recent years exports have risen sharply and have added considerably to the difficulties facing our yarn industry. The Community will soon start negotiations with Portugal aimed at agreement to restrict exports of a range of products to EEC markets, and in particular the U.K. market."

He said: "But there are two areas—cotton yarn and woven man-made fibre fabrics—where we have come to the conclusion that we cannot wait until the negotiations are concluded.

"We are therefore taking action in advance by imposing quota restrictions, with effect from midnight to-night. I hope that the Portuguese Government will understand that, in taking this action, we are not disregarding the coming negotiations. It is just that a situation has arisen in which we could not afford the risk of forestalling involving any delay."

"We have also considered imports of leather footwear from Poland, Czechoslovakia and Romania. These countries have already undertaken to restrict their 1975 exports of men's leather footwear (excluding sandals) to a level between 5-10 per cent. below that on comparable exports in 1974."

Low prices

The Secretary for Trade was requesting these countries to continue this restraint on their exports throughout 1976 and to extend a similar voluntary restraint on women's and children's leather footwear also.

"I believe these relatively limited measures will help sectors of the textile, clothing and footwear industries in the short term." The Government has given very careful consideration to the question whether restrictions on imports of colour television tubes were necessary to assist the manufacturers in the U.K."

Mr. Healey added: "Problems caused by the low prices of imported tubes should be eased substantially by the increases in prices now being made by the main foreign suppliers of the most popular-sized tube, but the key problem in this sector is that a British industry has a capacity to make nearly 3m. tubes per annum but has a domestic market of less than half of that volume.

"Imports have fallen from 1.5m. in 1973 to 1.3m. in 1974 and to some 900,000 in 1975. Most of the imported tubes are, however, of sizes and types not made in the U.K. We could not introduce controls on these without causing serious harm to the U.K. manufacturers of colour television sets.

"Controls on tubes that are similar to those made in Britain would not make a sufficient impact on loading to improve the position of British manufacturers.

"Nevertheless, the Secretary for Trade will be introducing surveillance licensing for imports of colour television tubes from all sources. In addition, surveillance licensing will apply to imports of colour and portable monochrome television sets.

"These measures will enable us to keep a close and detailed watch on import trends in case further action is required."

The Government had also considered whether to introduce import restrictions on foreign cars. This, however, is an area where the probability of retaliation is very substantial indeed, and where immense damage would be done to the British car industry if retaliation occurred.

"The demand for some British cars at present far exceeds their output; and control of imports could well be met in the short run by a diversion of exports to the home market rather than by an increase in output."

Held back

"The Government recognises its responsibility to do all it can to help British exporters. The Secretary for Trade will be announcing to-morrow some new measures which are being taken for this purpose and which will thereby help to increase employment further.

"I have decided to make a numbere of changes to the hire purchase and hiring terms controls which have been in force since December 1973. Some of these controls are holding back demand at a time when the industries concerned have ample spare capacity.

"These relaxations will provide a useful stimulus over the next few months with no cost to the taxpayer and no additions to the public sector borrowing requirement.

"From to-morrow, controls will no longer apply to carpets and other floor coverings, furniture, kitchen and bathroom fittings, mattresses, space and central heating, prefabricated buildings, caravans and boats.

"For other industries, with the exception of cars, I have decided to relax the controls rather than to abolish them entirely, because beyond a certain point, extra demand would be met not by increased home output but by increased imports.

"Apart from the items mentioned, the minimum down-payment will be reduced from 33⅓ per cent. to 20 per cent. and the maximum repayment period will be increased from 24 months to 30 months.

"In parallel with this, the minimum advance rental payment for hired television sets and other goods still subject to hiring control will be reduced from 42 weeks to 26 weeks.

"Given the difficulty which the U.K. car industry would face in meeting any rapid increase in demand at this time, and the current level of stocks of home-produced cars, the present limits of 33⅓ per cent. deposit and two years to pay will remain in force for the time being.

"I feel justified in making one small, but socially significant, relaxation, to the existing HP controls on the sale of cars. The Department of Health and Social Security will begin next year the payment of mobility allowances to the seriously disabled as an alternative to the provision of three-wheeled invalid vehicles, which are already exempt from HP controls.

"To allow the disabled to take proper advantage of these new mobility allowances, from January 1 I am exempting from these controls the purchase of cars by those receiving a mobility allowance."

Investment

Mr. Healey said banks and finance houses would be free to match relaxations in the terms of their lending. But he emphasised: "The intention of these measures is not to relax the general restraints on credit for persons, but to ease the position of certain selected industries which are important to the economy, and which in many cases have excellent export records."

The banks and finance houses were being asked to continue to exercise restraint over the total of their lending to people. Cash flow problems and failing demand meant stocks held in manufacturing had been falling, with a risk that stocks might be too low for prompt action to meet export orders.

The Government was taking steps to help. In the public sector it had agreed to a British Steel Corporation proposal to build a special counter-cyclical stockpile of steel at a cost of £70m. this financial year, and agreement had now been reached on the terms of Government financing.

Mr. Healey said the problem of investment was both the key to the improvement of our industrial performance over the next few years, and should be a major factor in accelerating recovery next year so as to reduce unemployment.

"I do not claim that the measures I have outlined will, in themselves, produce a massive impact on the present level of unemployment. But I do claim that they will create jobs, or save jobs far more rapidly and far more cheaply than would be possible through any Government action to reflate demand.

"They do so by means which will strengthen our balance of payments rather than weaken it, and which will allow our attack on inflation to be pursued to ultimate success." Besides immediate alleviation of unemployment, they would strengthen our ability to take advantage of the surge in demand which would gather force in the coming year.

"Without these actions the expected surge in demand might produce the same overheating in the economy in 1977 as we suffered from in 1973 and which lies at the root of many of the problems from which our economy is suffering to-day."

'A disappointed nation'—Howe

SHADOW Chancellor, Sir Geoffrey Howe, said Mr. Healey had "scraped the barrel in every corner."

He said: "His announcements fall so far short of expectations that the nation—at least—will be very disappointed."

The Opposition would be voting against the Government that night—but not against the "modest package" Mr. Healey had unveiled nor for higher unemployment.

They would be voting because "as long as this present Government remains in office there is no real prospect of a return to economic sanity."

There were roars of approval from Tory MPs as he added: "The time has come for the Government to go."

Sir Geoffrey said import controls would have invited retaliation and made inflation worse. They would have multiplied the unemployment they were designed to prevent. The Government had avoided the grave risk of damage to the home car industry if import controls had been introduced.

But he said the relaxation of HP controls demonstrated the "erratic and haphazard way the Government has been handling the economy."

Sir Geoffrey: "Special help of all things to caravan and boat-building? Why are they in such difficulties? Because they were selected among others for the imposition of 25 per cent. VAT."

The Opposition was glad the Government continued to accept the case against large-scale reflation. Some of the measures were sensibly directed to removing "some of the worst obstructions in the labour market"

Sir Geoffrey went on: "It is because this Government now bears the lion's share of responsibility for the present high level of unemployment, and because it is totally without a strategy which offers any hope of solution, because they have got themselves in this situation, that we intend to vote against them."

"They have got themselves in this situation because of the extent to which their policies have been characterised by self-deception and false optimism."

It was time for the Government to cease this endless round of self-deception and to cease looking for an answer that was comfortable and apparently kind. "They cannot go on pusuing soft option after soft option," he said.

Referring to the Think Tank report on the car industry, Sir Geoffrey said the lessons from it spread out into steel, coal, British Rail and the docks.

"The lesson is simply this. That the attempt to save jobs to-day is the absolutely sure way to destroy jobs tomorrow."

New jobs could be won only if he private sector could once again be offered the prospect of success. Industry could not be expected to invest in the face of all constraints imposed by the Government.

The private sector could never hope for success as long as the Governmedt continued to heap the whole burden of this recession on its shoulders. Sooner or later the Government must accept that the reduction of public spending was the economic imperative for returning prosperity to this country.

The Government should abandon straight away any further attempts at nationalisation, tackle the continuing growth of subsidies and must cut overspending. It was continuing extravagance that would stifle the up-turn before it even started.

Until the Commons turned the Government out, Britain would be burdened with a Government that had lost whatever sense of direction it ever had.

Left demands for defence cuts firmly rejected

BY JOHN HUNT

MR. JAMES CALLAGHAN, the Foreign Secretary, firmly rejected Left-wing demands for massive cuts in defence expenditure in the Commons yesterday and made it clear that Britain is fully committed to maintaining an effective contribution to NATO.

His remarks followed reports that the Government has decided on defence cuts as part of its reduction in public expenditure and that the decision was arrived at after strenuous arguments within the Cabinet.

Left-winger Mr. Martin Flannery (Lab., Hillsborough) protested that Britain's contribution to NATO as a percentage of gross national product was much higher than that of other member countries.

"We could adequately and massively cut our defence contribution to bring it in line with that of other members of NATO," he suggested.

Mr. Callaghan agreed that our contribution was higher as a percentage of GNP but pointed out that our total cash contribution fell behind that of other countries.

Dealing with the suggestion of "massive cuts" he told Mr. Flannery "No. I am sorry, there I part company with you. I don't think massive cuts would support the present process of multilateral disarmament nor would they represent the proper contribution this country should make.

"It could increase the dangers in central Europe and I ask my honourable friends to reflect on that point."

European elections paper planned

BY JOHN HUNT

THE GOVERNMENT is hoping to produce a Green Paper early in the New Year on the question of direct elections to the European Parliament and to follow this by widespread consultations on the subject, Mr. James Callaghan, Foreign Secretary, told the Commons yesterday.

In his replies to questioners he seemed reasonably optimistic that the elections could be introduced in Great Britain by 1978, the date for which the Community is now aiming.

It was for the Commons to decide whether or not it could be brought in by that date, he said. He had been trying to preserve the position of the Commons in the matter and this had led to him being accused in Brussels of dragging his feet and of allegations in Britain that he had given everything away to our EEC partners.

could achieve this by 1978," he said. "I have no doubt about this. This is a matter of practicalities and not of principles.

"I don't underrate the great difficulties but I won't mind if the House says 'Hurry up,' provided we go through the proper process of consultation."

He went on: "It is for the Government now to produce a series of questions in the form of a Green Paper that will need answers."

It would then enter into discussion with political parties, Transport House and the Conservative Central Office, and this process would be followed by debates in the House. He hoped to begin in the New Year, perhaps shortly after the House returned.

"I have no intention of holding things up unnecessarily or rushing it," he assured MPs. "Any one of us can see the practical difficulties that have to be ironed out in this situation."

Some Labour backbenchers expressed fears about the possibility of federalism emerging but Mr. Callaghan told them: "I say there is no proposal for federalism now and if such a proposal should ever come forward it would be for the House of the day to make a decision on the matter."

He explained that he had not yet submitted the proposed Green Paper to his Cabinet colleagues and hehad no idea of what observations they might wish to make on it. However, he would not expect the document to go into the question of the powers of the European Parliament or of any increase in those powers. Nor did he have any intention of going over the question of proportional representation at a time when this was being considered in other quarters.

He did think, however, that the Green Paper should deal with the matter of whether there should be one single election day for the whole Community or a number of different days coinciding with general elections in the various member countries. This was clearly a matter for the House to determine in due course.

Siege ending 'a triumph'

THE END of the Balcombe Street siege last Friday was "a remarkable triumph which should be acknowledged." Lord Harris of Greenwich, Minister of State, Home Office, said in the Lords yesterday.

Lord Campbell of Croy (C.) had asked for a system of commendation or award for members of the public whose initiative led to the arrest and conviction of terrorists.

Lord Harris replied that the Government believed existing arrangements for recognition of assistance by members of the public leading to the arrest of offenders—whether terrorists or not—were adequate.

Lord Campbell: "Terrorism has to-day become a ruthless and diabolical outrage against humanity. Any help in stamping it out and the crushing of criminal gangs should be commended and rewarded."

Lord Harris agreed it was most important for maximum public assistance to be received, but the police were receiving it.

Bank charges for study

REPRESENTATIONS about the level of bank charges which have just been made to the Government by the Committee of London Clearing Bankers are to be considered by Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, MPs were told yesterday.

Rape Bill gains second place

A PRIVATE Member's Bill introduced in Parliament yesterday seeks to give anonymity to rape victims in court hearings. The Bill, drafted by Mr. Jack Ashley, is being introduced by Mr. Robin Corbett (Lab., Hemel Hempstead), who drew second place in the MPs' ballot.

Inside the package

● HIRE PURCHASE

HIRE PURCHASE and hiring controls are to be removed from today on some goods and relaxed on some others. In the first category are carpets and floor coverings, kitchen and bathroom fittings, furniture, matresses and overlays, space and central heating installations, sectional sheds and grages and other prefabricated buildings, and on caravans and boats.

The second group, on which the minimum deposit is reduced from 33⅓ per cent. to 20 per cent. and the repayment term extended from 24 months to 30, includes radios and televisions, radiograms, record-players and tape-recorders, refrigerators and freezers; washing-machines, dishwashers and other electrical appliances; lawnmowers; clocks, watches and jewellery; cameras and other photogrphic equipment; binoculars and aircraft.

In the hiring field, space-heating installations and appliances are no longer subject to control. The advance rental requirement is reduced from 42 weeks to 26 for a range of goods including radios and televisions, radiograms, record-players and tape-recorders; refrigerators and freezers; washing machines, dishwashers and various domestic appliances; cameras and other photogrphic equipment.

Disabled people receiving a mobility allowance because they are unable or virtually unable to walk will be able to buy standard cars without control.

In a notice accompanying the relaxation of hire purchase controls, the Bank of England reaffirmed its current guidelines on bank lending and at the same time confirmed that the banks would be permitted to ease their own lending terms in line with the new HP terms on certain items.

In general, the Bank again indicated that the banks should give priority in their lending to the demands of manufacturing industry, recognising specifically the needs for working capital. Any expansion of the banks' business, it was stated, should in the period immediately ahead be directed to this purpose "and to the expansion of exports, saving of imports and to domestic industrial investment."

Existing restraint on lending to the personal sector should be maintained, the Bank said, apart from the relaxations in line with HP controls, and loans for financial transactions and to property companies should be restrained—though in the latter case only so far as would be compatible with "avoiding aggravatin the present difficulties of companies."

The relaxation of con exactly two years after they imposed by the Conserv Government, will be welcon the finance house and bar industry. The finance ho in particular, have suffered the reduced level of busine a situation of high interest

The absence of any easi controls on hire purchase cars, which accounts for a stantial share of the cons credit business done by larger finance houses, will, ever, be a disappointment.

Retailers widely welcome relaxations of hire pur restrictions, though no upsurge in demand is ex to follow.

The Retail Consortium, represents various trade a tions, called the moves a come shot in the arm" situation of "sagging con demand." The Consortium have liked to see, howe reduction in the "high ra value added tax on c goods. The multiple rate s now in force was partic "difficult" for small keepers to handle.

Donald Mac

● TEXTILES

IF THE Government had been hoping for any more enthusiasm for the textile measures announced yesterday than for its Chrysler announcement a day earlier its illusions are not likely to have lasted very long.

The measures, which come after many months of campaigning by the industry for help to get it through the recession, have generally been rejected as unsatisfactory by textile employers, trade unions and MPs, and the likelihood is that, barring an unexpected revival in the industry's fortunes the campaign for further action to protect it will go on.

What the Government has clearly shown once again is that it does not believe it can step outside the bounds now imposed by EEC membership in extending the nexus of controls already in operation or being negotiated. Thus demands for an across-the-board reduction in the quantity of clothing and textiles entering the country have been turned down. Instead existing provisions are, where possible, to be further tightened.

In the case of cotton yarn, this means that controls introduced earlier this year covering two of the Mediterranean Associates, Greece and Turkey, have been extended to a third, Spain, which had been the main beneficiary of the earlier measures. An insignificant exporter to the U.K. until recently, Spain has sold 2,329 tonnes of yarn to the U.K. in the first 10 months of this year against 1,882 tonnes in the whole of 1974. Next year, Spain will be limited to 2,732 tonnes.

Portugal, which, as a former associate of Britain in EFTA, has enjoyed a high level of access to the U.K. market, is also being brought under quota control for the first time for some years.

Portuguese exports of man-made fibre fabric, which amounted to more than 20m. square metres last year and to around 15.6m. squares metres in the first ten months of this one, will also be put under quota.

In the case of men's suits—another area where recent surges of imports have caused concern to sectors of the U.K. textile industry—the Government is hoping to persuade East European suppliers to exercise restraint.

In men's suits the main surge in imports has come from Romania which, from a very low base only a few years ago is now expecting to sell around 250,000 suits in the 10m. units a year U.K. market this year, 60,000 up on last year's total. Hungary's exports have jumped from 5,252 suits last year to an estimated 29,000 this year, Poland's from 16,000 to 19,000, Czechoslovakia's from 14,987 to 32,836 and Yugoslavia's from 32,027 to 39,332.

Now that the EEC has agreements with Hong Kong and South Korea, following long and complex talks, and quotas have been imposed on Taiwan, the Government is clearly ar that these should not be Mr. Healey repeated, hov that for some goods from T. no further import licences be issued for the whole of

These are goods which grossly over-ordered by porters in anticipation of restrictions on Taiwan, wit result that quotas for the of 1975 and 1976 were fille despatched to the U.K.

While this restriction has welcomed by the U.K. ind there will be disappoint among shirt manufacture particular that no further c nation is proposed of the MFA provisions as they shirt imports from Hong

n deciding to offer the t industry only very limited fu help by way of protection Government has clearly h mind the various restric which already exist. But also, perhaps, noticed some that activity in the U.K. i try is beginning to pick up.

The British Textile Confe tion, representing all sides i industry, said yesterday tha MFA import levels were set at a time of booming de and were proving intolera a time of recession. It a that the industry had lost 6 workers in the past year was now fighting to surviv recession with sufficient cap to meet any upturn. Mr. He measures would do little to the industry in its struggl

Rhys D

● EXPORT COVER

IMPORTANT changes in the Government's "inflation insurance" scheme for exporters is to be announced by Mr. Peter Shure, Trade Secretary, to-day.

The aim is to make U.K. manufacturers of large-scale capital equipment more competitive when tendering for overseas contracts, particularly those which stipulate fixed prices.

Although manufacturers have been covered to some extent by a cost escalation scheme for most of this year, they have repeatedly protested to the Government that the "insurance" has not been effective enough.

It is understood that the scheme, operated through the Export Credit Guarantee Department, will be brought closer to those operated in France and Spain. While the adapted scheme may become operative at a lower level of cost inflation than at present it is still unlikely to leave the Government with an open-ended commitment to underwrite very high inflation as in France.

A hint about the changes from Mr. Denis Healey, Chancellor, who said yeste that new measures to help Br exporters would be anno to-day. At the same time Beswick, the recently re Minister of State at the De ment of Industry, was repo in London on export pros to Iran and hinting that Br manufacturers might soon re an additional boost.

Ray Da

● STEEL

AFTER HAVING asked for the moon to finance stocks of steel and keep under-used steel plants rolling, the British Steel Corporation has had to settle with the Government for sixpence.

In the package is Government sanction for a State-financed £70m. BSC steel stockpile to be built up between now and the end of the financial year in March, 1976. With that cash the Corporation will be able to ride the economic hurricane now blasting steelmakers round the world to the extent of turning out some 800,000 tonnes of semi-finished steel whose production otherwise could not have been justified.

But the BSC will have to pay interest on the cash tied up in the stockpile. What the Government is giving the steel industry is a far cry from the BSC's own proposals for financing steel that it can make but, at the moment, cannot sell.

These involved an ingenious scheme for index-linked financing for a considerable stockpile of steel. This would have been accounted for outside the BSC's Government-controlled borrowing parameters under an arrangement between the Corporation and City institutions based on the value of the steel as a commodity.

The City was interested but the Government was hesitant and the Treasury hostile. However, the seeds of an idea had been sown in Government minds. Perhaps some scheme for financing steel stocks would be a useful ai the economy to hold back tide of lay-offs and short-working in the industry an postpone, if only for a while, politically difficult sions over the future of steel plants such as Ebbw Shotton, and certain small tish plants.

The money for the stock-p will be made available to BSC at a reasonably low int rate, because 55 per cent. will be offered in the for public dividend capital, wit remainder in short-term Go ment loans. The Corpor will pay interest on that when making money and is little prospect of that in foreseeable future.

Roy Hod

● JOB CREATION

THE EMPLOYMENT aspects of Mr. Denis Healey's package are designed to create 21,000 new jobs at a total cost of £14.5m. This represents a relatively modest £690 a job at gross level although the net cost would be less of course because of savings on social security benefits and the gain from taxation.

Mr. Healey's measures concern the enlargement of three existing Government schemes: the Job Creation project, run by the Manpower Services Commission, the Temporary Subsidy scheme and the Community Industry project.

The Job Creation scheme started in October and aims to promote labour intensive projects and employ primarily young people in high employment areas. A sum of £30m. was originally allocated for the projects which were to run until March, 1977. It was hoped that 25,000 would be found jobs. Now an additional £10m. is being injected with the job target raised to 35,000.

The temporary employment subsidy provides a payment of £10 a worker for a maximum of six months to employers who are prepared to suspend redundancies. This scheme is to receive another £3m.—taking its cost to £19m.—and it is hoped that the number of workers covered will rise from 60,000 to 70,000. So far 9,000 jobs have been maintained. The present rules limit the subsidy to redundancies of 50 or more but the scheme is to be extended to include redundancies of 25 or more.

The Community Industry Scheme was designed to assist young people who find it difficult to obtain or hold a job. Another £1.5m. has been allocated to the scheme taking the cost to £5.5m. and the number covered from 3,000 to 4,000.

The effect of all three sch until yesterday's measures w have been to create 88,000 for indefinite but not long periods at a cost of £50n £570 a job. If the new ta are fulfilled just over 10 jobs will be "manufacture a total gross cost of £64.5r £638 a job before social sec benefits and tax gains are into account.

The Community Ind Scheme, in terms of reachi targets, seems to have move fastest of the projects sinc the 3,000 jobs envisaged been allocated. The Temp Employment subsidy st slowly and only began to up in the past few w although the project starte August. The Job Creation gramme, has moved along quickly, with 4,092 created cost of £4.4m. even thoug first project only started in October.

Stewart D

● TELEVISIONS

THE GOVERNMENT has stopped short of direct intervention in television set and tube imports. Instead it is introducing a strict surveillance system for importers. From mid-January import licences will be available freely, but only for three month periods and even then also only after some searching paper work.

This should settle some of the arguments that have been raging in recent months as British industry accuses foreign manufacturers, notably the Japanese, of sailing very close to the dumping wind. The Government obviously hopes that some of the heat will be taken out of the row by the overall upsurge in demand which may come as a result of easing the hire purchase and rental deposit requirements.

There are three divisions in the new regulations: small (15 inch screen or less) monochrome sets, all colour receivers and colour television tubes. Monochrome tube importation, rapidly being phased out in the U.K., is not included and nor are l monochrome sets.

Even if an importer is de in mixed batches of produc will need separate licence each section and for diff tube sizes within each se Applications will require of correspondence or of co or order documents.

Sets and tubes coming Eastern Europe and Comm Asia are already subject dividual import lice arrangements.

Arthur Sau

GENERAL APPOINTMENTS

Managing Director
(Designate)
EMI (Australia) Limited

Applications for the position of Managing Director are invited from candidates, preferably Australian citizens, with substantial experience of Australian business operations.

EMI (Australia) Limited is a highly successful and outstandingly profitable company with diversified operations. In addition to being Australia's largest recording company, its activities include the manufacture and marketing of a substantial range of television and sound products under the HMV and Healing brands; the sale of medical and the development of defence electronic equipment; and the operation of 35 retail music stores. Profits of the company and its subsidiaries have trebled over the past seven years and annual turnover is at a rate exceeding *A$100 million*.

The position of Managing Director will become vacant in 1976 and the Company wishes to make an early appointment of a successor. Location Sydney.

Within the broad policies set down by the Board, the Managing Director will be required to ensure continued profit growth whilst simultaneously maintaining a responsible image of the company with customers, employees and investors.

The successful applicant will possess sound business judgement and competence, be familiar with modern management techniques and controls and have demonstrated a proven record of success in the general management of a major commercial enterprise.

A *substantial* salary package will be negotiated in keeping with the nature of the position and its wide responsibilities.

Written applications, marked 'Private and Confidential', should be sent in the first instance to: Mr. A. Lamb, Director of Administration, EMI Limited, 20 Manchester Square, London W1A 1ES.

EMI

The international music, electronics and leisure Group.

ANL

THE AUSTRALIAN NATIONAL LINE seeks the services of a
NEW CONSTRUCTION MANAGER
to join its Senior Management Team at Head Office, Melbourne, Victoria, Australia.

The line is a statutory authority of the Australian Government operating a fleet of 31 vessels of some three-quarters of a million dead weight tonnes engaged in substantial trading operations both on the Australian coast and overseas. Liner services include Japan, East Asia, United Kingdom, continent East and West Coast of America and shortly South East Asia. A further eight vessels are under construction in Australian and overseas shipyards including four bulk carriers each in excess of 100,000 tonnes d w t and a cellular container vessel.

The new construction manager will assume responsibility for all aspects of research and development design and construction of new tonnage. He will provide management and technical expertise in the preparation of specification contracting and supervision of construction work.

The successful candidate will:

* Possess a tertiary qualification in marine engineering, naval architecture or similar fields.
* Possess a comprehensive background of technical experience related to shipping and shipbuilding with the past several years spent successfully at senior management or executive levels
* Have a proven record of success in leadership training and motivation of subordinate staff

A salary in the vicinity of $A23,000 is contemplated (sterling equivalent £14,000 approx.).

Contributory superannuation is available from commencement and reasonable transportation and settling-in costs will be met by the line.

Written applications, in confidence, giving personal particulars, qualifications, experience and senior appointments held, should be forwarded by Friday 9th January 1976, to:–

U.K. Representative,
The Australian National Line,
Shipping Federation House, 146 Minories, London EC3.

MERCHANT BANKING – SCOTLAND

Henry Ansbacher & Co. Limited are seeking a manager for their Edinburgh-based Scottish office.

The manager will be responsible for the servicing and development of existing clients, for the servicing and generation of new business and for the overall management of the Scottish operation.

Preference will be given to candidates who

– have both the technical expertise to be able to advise the bank's customers, and the personality and drive to attract new clients.
– have appropriate experience and/or professional or similar qualifications.
– are familiar with and knowledgeable of the Scottish business community.

Salary will be negotiable according to age and experience, and will include normal benefits and a car.

Applications, including a full curriculum vitae, should be sent to:–

P. E. Rickitt, Director
Henry Ansbacher & Co. Limited
17 Charlotte Square
Edinburgh EH2 4DJ

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ACCOUNTANCY APPOINTMENTS

Assistant Head of Internal Audit
Key Development Role
£7000 plus benefits

This is a recently-created, London-based appointment with Williams & Glyn's, the UK's fifth largest clearing bank. Reporting to the Head of Internal Audit, the successful candidate will assist in the planning, supervision and conduct of audits in specialist areas and subsidiaries of the Group, outside the branch banking sphere.

This is an innovative role which calls for a qualified accountant with auditing experience at a supervisory level. In addition to the ability to communicate effectively at all levels, both verbally and in writing, candidates must be capable of training and developing members of the audit staff.

Starting salary will be £7000; valuable benefits include a generous house purchase scheme, contributory pension and re-location assistance to London where appropriate.

Please write with full career details, quoting reference B.671, to P. D. Richards, Williams & Glyn's Bank Limited, New London Bridge House, 25 London Bridge Street, London SE1 9SX.

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This leading international merchant bank requires a replacement on its legal staff for an officer who is going abroad and accordingly is able to offer an excellent opportunity of a position of great potential. The work involves drafting and negotiation of legal documentation in connection with corporate finance, international loans and related areas.

Applicants should have some legal background and experience in drafting and negotiating contracts, although experience in international finance is not essential.

Salary, which will be negotiable, will be entirely commensurate with the responsibilities undertaken and the applicant's background. There are excellent fringe benefits.

Written applications may be submitted in confidence addressed to: Mr. J. L. W. Wagland, General Manager, MANUFACTURERS HANOVER LIMITED, 8 Princes Street, London, EC2P 2EN.

Property Analyst

An unusually able Property Analyst is now required to join a small professional firm to undertake the appraisal of property situations.

This is a new position and the person appointed will be interested and able to develop his skills in the following main directions:

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Taxation implications of development and investment situations.

The planning aspects of commercial property development but not the undertaking of planning appeals.

The successful candidate will probably be between 27 and 32 years of age, have a professional qualification and/or a degree, be numerate and able to analyse and present a complicated problem simply, and should have experience gained in either a professional firm, a financial institution or a property company.

The salary will depend upon ability and experience and is envisaged will be in the range £6,500 to £8,500.

Applications, marked 'Private and Confidential', should be sent to D. J. Bell, MA ARICS.

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Our Investment Department requires an Investment Officer to manage client portfolios. This position involves regular client contact. Candidates should have experience in U.K. markets and a knowledge of International markets is desirable. Applicants should be in their late twenties or early thirties and possess suitable professional qualifications.

The position offers excellent staff benefits including attractive pension, life assurance and sickness schemes, and can include mortgage assistance.

Please write in confidence to:-

The Personnel Officer,
THE ROYAL TRUST COMPANY OF CANADA,
Royal Trust House,
54 Jermyn Street, London SW1Y 6NQ.

Arts Centre Manager

Burleighfield Arts Centre at Loudwater in Bucks develops fast. A General Manager is urgently needed.

The Reyntiens Trust run the Centre through part-time Trustees and Governors, and full- and part-time paid staff. The Artistic Directors, notable artists themselves, provide education in art and the crafts.

The General Manager will free the teaching staff for their main work while serving the special requirements of the Governors. His knowledge of business procedures will keep things running smoothly. And his sympathy for the ideals of an unusual Arts Centre will make him welcome to all parties. Day by day he will be answerable for the newly-enlarged Estate and its properties and services.

He may already have worked with private or municipal Arts Centres, in entertainments, or in businesses where creative personalities are given due weight. He could be 35 but not really over 55. He may by now have set the limits of his personal advancement and thus find Burleighfield a many-sided outlet for experience and enthusiasm.

Financial rewards will reflect his contribution. Residential accommodation may be possible. Short-list interviews will be held at Burleighfield very soon.

Please write, in complete confidence, in the first instance to:

J. F. W. Hastings, Esq.,
10 Queen Street,
Maidenhead, Berks.

ASSISTANT EDITOR

Leading economic journal requires an assistant editor. Applicants for this responsible position should have a good economics degree and several years' relevant experience in journalism, the City or economic advisory work. Salary by negotiation.

Write with full particulars to Box A.5360, The Financial Times, 10 Cannon Street, EC4P 4BY.

STOCKBROKERS

A medium sized old established firm of stockbrokers would welcome an associate member with a sound clientele. This position might be of interest to a London member.

Please write, enclosing full particulars to:

P. S. Williams, Esq.,
Case Leach & Co.,
Drury House, Water Street,
Liverpool L2 3SH.

Financial Control Manager
European Operations

Hertz International seeks a qualified Accountant, preferably Chartered, to fill a vacancy at its European Head Office in Isleworth, West London, reporting directly to the International Controller in New York.

The job is to carry out on-the-spot financial reviews of the Group's European operations based in 13 countries throughout Western Europe. This will involve travelling away from the U.K. between 50%—70% of working time.

We are seeking an individual aged between 28–40 who has held a senior financial post in industry, preferably in a large group of companies, in addition to having had some audit experience. The ability to get on with people is of paramount importance since the job involves contact with General and Financial Managers in operating units, the European Head Office and Corporate Headquarters in New York.

The salary offered is in the region of £7,000 per annum together with other fringe benefits including re-location costs where applicable. The salary for the ideal candidate could however be higher. Prospects for promotion within the Group are good.

Preliminary interviews will take place as soon as possible as it is anticipated that an early appointment will be made.

Please telephone or write giving full details on how you match our requirements to:

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Allen Robson, Personnel Manager,
Hertz Europe Ltd.
Isleworth House, Great West Road,
Isleworth, Middlesex TW7 5JF
Tel: 01-568 4422.

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Applicants, ideally in their mid 30's, will be qualified accountants, preferably chartered. They will have several years' experience in a senior financial role covering financial and management accounting and should have had close involvement with the design and implementation of improved systems. Up to date knowledge of taxation and data processing is highly desirable.

Write in confidence, quoting reference 1287/L to: M. D. O'Mahony,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
Suite 401, Salisbury House,
Finsbury Circus,
London, EC2M 5UR.

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Send brief details of experience to Box A.5361, Financial Times, 10, Cannon Street, EC4P 4BY.

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by a progressive firm of Stockbrokers to assist partners. Job includes help on dealing desk and client advice.

Previous experience not essential

Write *Box T.4242, Financial Times, 10, Cannon Street, EC4P 4BY.*

COMPANY NOTICES

J. A. DEVENISH & COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS relative to the Company's Ordinary Stock will be closed from the 3rd January 1976 to 16th January, 1976 (both dates inclusive) for the preparation of Dividend Warrants payable on 22nd January, 1976.

By Order of the Board,
J. A. LUTHWAITE, *Secretary.*

Trinity House,
15, Trinity Street
Weymouth.
5th December, 1975.

QUEBEC CENTRAL RAILWAY COMPANY

4% FIRST MORTGAGE DEBENTURE STOCK

In preparation for the payment of the half yearly interest due 1st February 1976, on the above Stock, the Transfer books will be closed at 3.30 p.m. on 12th January and will be re-opened on 14th January, 1976.

R. H. PAUL, Assistant Secretary.

8 Waterloo Place
Pall Mall,
London, SW1Y 4AQ.
18th December, 1975.

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PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS

The £6m. Bills were issued to-day with maturity on the 18th March, 1976. Applications totalled £60.5m. The minimum price accepted was £97.31½ and the average rate of discount was 10.7695055%. The total *Bills* outstanding is £16m.

Financial Controller – Birmingham
(director designate)
circa £7,500 + car

T. Dillon & Co. Limited, a member of the Birmingham Post & Mail Group, wishes to appoint a Financial Controller who will report to the Managing Director. The company operates over 200 newsagents shops throughout England.

The successful candidate will be a qualified Accountant, strongly business orientated, with a well developed flair for management and organisation. It is essential that the man appointed, will through successful performance at Controller level, merit appointment to the Board within a period of 6-12 months.

His initial responsibilities as Financial Controller will be to supervise the routine production of financial and management accounts and to prepare in conjunction with the Chief Accountant, annual budgets and financial plans. After appointment to the Board he will form part of the top management team and will be expected to advise on all matters of financial policy and in particular, to ensure that financial resources are properly planned and controlled and that realistic budgets and profit plans are set.

Candidates should write for a personal history form quoting reference MCS/3518 to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Chief Accountant-Banking

MIDDLE EAST — MINIMUM EQUIVALENT £6,500 p.a. TAX FREE

A new national bank which will have its headquarters in the United Arab Emirates seeks to appoint a Chief Accountant. Preferred age 26–35 years.

The person required should have a good knowledge of banking as well as financial practices and overseas experience is desirable. He should be capable of evolving and controlling business routines in a bank proposing to transact both local and foreign business.

Free furnished accommodation and other fringe benefits appropriate to the area.

Please write, giving full details of career to date to Box A.5363, Financial Times, 10, Cannon Street EC4P 4BY.

CONTRACTS AND TENDERS

THE PORT OF BAR ENTERPRISE—Bar, Yugoslavia

announces

PUBLIC COMPETITIVE BIDDING

for construction of 20,000 m³ sugar molasses and edible oil reservoirs in the Port of Bar

As these works are partly financed by the International Bank for Reconstruction and Development of Washington, enterprises from Yugoslavia, and firms from member countries of the International Bank for Reconstruction and Development of Washington and from Switzerland are entitled to participate in this public competitive bidding.

The works include reservoir construction of steel sheets and all other relevant works required for full completion of the facility.

Deadline for completion of the indicated works is February 1977.

The bids shall be submitted to the Port of Bar Enterprise, Construction Division, not later than February 16, 1976, by 10 o'clock. Opening of the bids will be carried out on the same date at 11 o'clock.

The bids shall be prepared in compliance with bidding documents which may be obtained at the Port of Bar Enterprise, 81350 Bar or at the Branch Office of the Port of Bar Enterprise, 11000 Belgrade, Sremska Str. 2, after made payment of Dinars 3,000 for local bidders, i.e. US$200—for foreign bidders.

All information may be obtained by telephone 085-22-022 at Bar and 011-635-268 in Belgrade.

Decision on selection of the most convenient bidder shall be taken by the Port of Bar Enterprise within 90 days' period.

THE PORT OF BAR ENTERPRISE.

THE PORT OF BAR ENTERPRISE—Bar, Yugoslavia

announces

PUBLIC COMPETITIVE BIDDING

for production, delivery and erection of the EQUIPMENT for 30,000 t. capacity grain silo in the Port of Bar

As the works are partly financed by the International Bank for Reconstruction and Development of Washington, the enterprises from Yugoslavia, from member countries of the International Bank for Reconstruction and Development of Washington and from Switzerland, have the right of participation in the public competitive bidding.

Equipment which makes the subject of the public competitive bidding consists of the equipment in the silo and the equipment on the wharf.

Deadline for production, delivery and erection of the equipment is May 1, 1977.

Bids are to be submitted to the Port of Bar Enterprise, O.U. "Construction," by February 15, 1976, at 10 o'clock. Opening of bids shall be done at 11 o'clock of the same day.

Any information can be obtained by phone No. 085 22-022 Bar or No. 011 635-268 in Belgrade.

The bid is to be prepared in accordance with the bidding documents which can be obtained at the Port of Bar Enterprise, 81350 Bar, or at Branch Office of the Port of Bar, Sremska Str. No. 2, 11000 Belgrade, upon payment of Dinars [illegible]000 by local bidders, i.e. US$350 by foreign bidders.

Decision on selection of the most convenient bidder shall be brought by Port of Bar Enterprise within 90 days' time.

THE PORT OF BAR ENTERPRISE.

LESOTHO GOVERNMENT

Tender Notice for Lottery

Tenders are invited for conducting and promoting a lottery under the provisions of the Lotteries Act 1975. The form of the tender and the conditions to be imposed on any licence granted may be obtained from:

The Crown Agents,
Supplies Secretariat (CS6),
4 Millbank,
London SW1P 3JD.

or

The Ministry of Finance,
P.O. Box 395,
Maseru,
Lesotho.

The closing date for tenders to be submitted is 2 February, 1976.

PERMANENT SECRETARY FOR FINANCE

Maseru.

A. G. MCKEE & CO.

on behalf of

YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 8

PURPOSE: Supply of T.E.L. and addition facilities for a refinery at Cochabamba, Republic of Bolivia.

FINANCING: By THE BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with contract No. 225 [illegible] with the Government of the Republic of Bolivia.

OPENING OF BIDS: Due date has been postponed up to January 3, 1976 at 11:00 a.m. [illegible] bids will be received until [illegible] date and time.

COMPANY NOTICES

BRAZILIAN INVESTMENTS S.A. SOCIEDADE DE INVESTIMENTO DECREE-LAW NO. 1401

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

[illegible]

DISCOUNT BANK INVESTMENT CORPORATION

[illegible]

S. G. WARBURG & CO. LTD., Coupon Department, St. Albans House, Goldsmith Street, London, EC2P 2DL.

[illegible]

18th December, 1975.

INTERFRIGO

Société Ferroviaire Internationale de Transports Frigorifiques

[illegible]

CREDIT COMMERCIAL DE FRANCE, Paris, Financial Agent to the Company.

REPUBLIC OF CHILE EXTERNAL SINKING FUND

[illegible]

N. M. ROTHSCHILD & SONS LIMITED

[illegible]

18th December, 1975.

TAVENER RUTLEDGE LIMITED

NOTICE IS HEREBY GIVEN that the REGISTER OF TRANSFERS of the above-named Company will be closed from the 30th December, 1975 to 9th January, 1976 both dates inclusive.

By Order of the Board.

[illegible], Director/Secretary.

10th September, 1975.

CINEMAS

ABC 1 & 2. SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1. BARRY LYNDON (A). Wk. and Sun. 2.25, 7.55. Late Show Fri. & Sat. 11.35. 2. DOG DAY AFTERNOON (X). Wk. and Sun. 2.00, 5.15, 8.15.

CURZON, Curzon Street, W.1. 499 3737. A WOMAN UNDER THE INFLUENCE (AA). Film at 2.45, 5.30 and 8.15. Late show Saturday 11 p.m.

EMPIRE. Leicester Square. ONCE IS NOT ENOUGH (AA). Progs. Daily 2.30 5.30 8.30. Sep. Perfs. All seats bookable. No phone bookings.

[illegible]

ART GALLERIES

[illegible]

CLUBS

[illegible]

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

New spinning process

YARNS MADE from staple fibres have, for well over a century, been produced on ring spinning frames. Over the past few years there has been a technological change and to-day the trade is looking for systems that speed production and allow much larger packages of yarn to be turned out. With a ring and traveller revolving round the package of yarn being formed, the limits are imposed by the speeds at which the traveller can travel on the ring and by the air drag of the yarn as it balloons.

To-day the so-called open-end spinning system using a rotor, that acts very much in the same way as a spin-dryer allows fibres to be collected on the inner surface of the rotor and then these are withdrawn, simultaneously being twisted to form a yarn.

The process would appear to have its greatest potential in the production of cotton-type yarns, as the fibres are shorter than those used elsewhere in the industry and so higher speed rotors can be used. The dimensions are directly related to fibre length. Already it looks as though the parameters of this concept have been ascertained with upper limits of rotor speeds being about 90-100,000 r.p.m., while the economics of the process confine the process to certain specific counts of yarn.

Now, a completely new system of spinning has been developed which is suitable for longer fibres such as wool and which is excellent for making coarser yarns. It is described as a mechanical-aerodynamic process.

The first machine of this new type is known as "DREF" and it has been built in Austria by Dr. Ernst Fehrer, Textilmaschinenfabrik (British agent: Geoffrey E. Macpherson, Nottingham NG2 6AD (0602 868701).)

It is intended for spinning longer fibres and for the production of yarns in the Nm 5-1 (0.6s-8s c.c.) and less range. The rate of production of a Nm2s yarn at say 100 m/min. is about 3kg/hour, which is several times greater than could be achieved by any ring-spinning system.

Dref is able to work from conventional card silver or even continuous filament twistless tow of, say, 250,000 to 400,000 dtex. This means that the number of production sequences is very much reduced compared with ring spinning. In addition, the new process is able to cope with all manner of impurities in raw material supply, such as grease and burrs in wool.

Wool yarns

The Dref machine development has been aided by the International Wool Secretariat in Germany, which sees in it an exciting new way of making wool yarns for carpet pile, blankets and upholstery fabrics. It is conceivable that at some later stage a machine for making finer count yarns may well be developed, but at present, economics define that it shall be used in this area.

Unlike the rotor spinning machines, the elements in the Dref machine seldom operate above 3,000 r.p.m., although the opening roll may run at speeds up to 4,500 r.p.m. maximum.

The system is extremely simple in concept. Fibres are pulled from a sliver, or two, by a pinned opening roller. They are then stripped away by an air jet which blows them into a nip formed by two perforated rollers positioned across the opening roll. Suction is applied from inside these rollers and the fibres collect in the position between them. As both rotate in the same direction the fibres are rolled. A twin-roller draw-off, placed at one end of the perforated rollers removes the fibres which are twisted and so form a yarn. The speed of rotation of the perforated rollers and the rate at which yarn is withdrawn will define yarn count and the amount of twist in it.

The Austrian company is evaluating the process commercially and has built some three-head units for mill use, but the commercial machines, scheduled for next year, will be twelve-head units.

● COMMUNICATIONS

Three-D for displays

SIMPLIFIED production of 3D holographic pictures with limited animation of movement has been perfected in the U.S. and is now being marketed. Informal demonstrations of the system have been held in London recently.

The system does not fulfil the long-awaited hope of 3D cinema without complicated apparatus, but it does immediately offer a novel point of sale display idea with other specialised possibilities.

True holographic 3D relies on the use of light from a laser to illuminate a completely immobile subject. Reflection of the light from the subject is made to interfere with the phasing of the incident light from the laser — yielding interference patterns which are recorded on a photographic plate.

These patterns can be subsequently "read" by another laser, or even by white incoherent light, to yield a "virtual image" suspended in space and truly three-dimensional—even to the extent that movement of the viewpoint causes a change in perspective. But the system is complex and still largely a laboratory novelty unable to cope with moving subjects.

The new method, now being marketed by Multiplex Company (454, Shotwell Street, San Francisco, California, U.S.) relies on the subject being placed on a rotating platform. This is filmed by a conventional 35mm cine camera to yield 1,080 frames during one 360 degrees rotation.

The processed film is then delivered to Multiplex, who convert each frame into a hologram disposed as a thin, vertical line on a sheet of film 9½ inches high. Each frame is thus converted into a vertical hologram, but printed twice to yield 2,160 holograms compressed into the width of film.

This double printing appears to be done to yield pairs of each frame since the camera original is only monoscopic: the 3D result is therefore only pseudo-stereo.

For viewing, the processed sheet is fixed into a cylindrical configuration with an ordinary small filament bulb illuminating it from the rear, obliquely. Each line or hologram is thus reconstructed as a discrete image—each eye only seeing one hologram from any one position. Thus a pair will be seen from any fixed viewing position—and if the observer moves, new pairs and perspectives are seen. Likewise, if the cylinder of film is made to revolve, a stationary observer will have all the perspectives and movements of the original subject recreated. This allows movement sequences of up to seven seconds' duration to be displayed. Results are superior to the more cumbersome parallax sterogram now used in some display advertising.

Since production of the camera originals and viewing apparatus are both extremely simple, requiring no special equipment or expertise, the system lends itself admirably to low-cost point of sale promotions. Only the conversion of the processed camera film needs special skill, which is the service now offered by Multiplex.

JOHN CHITTOCK.

Over 300,000 tons of coal have fallen through this 52 feet long, 15 inch-bore aluminium chute at the Central Electricity Generating Board's Cliff Quay, Ipswich, power station since it was installed in place of a steel one in 1964. All 27 steel chutes have now been replaced with aluminium ones which have been found to last much longer. The chutes are made by an Alcan company, E. C. Payter, Coneygre Industrial Estate, Tipton, West Midlands (021 557 4001).

● DATA PROCESSING

Fairchild's micro move

FAIRCHILD Camera and Instrument Corporation has formed a new microsystems division, with central responsibility for company activities in microprocessors, microcomputers and related products.

The company will also be entering the memory systems market and has established a separate memory systems unit for that purpose.

Fairchild introduced its F8 microsprocessor last spring, as the heart of a compatible family of processors, microcomputer systems and interface modules. These will continue to be sold throughout the U.S. and abroad by Fairchild's semiconductor marketing organisation and distributors.

Micro for control

A LOW COST microcomputing package intended for control and data logging is offered by Computer Electronics, Shirehall Industrial Estate, Saffron Walden, Essex (0799 27023).

Hardware is made up from standard logic chips rather than the newer generation of large scale integrated circuits, an approach which gives flexibility and price advantage states the company. The eight bit card mounted processor has internal memory expandable to 65 k. There are input and output communications facilities to which many different types of analytical instruments can be connected.

The package can be provided with one or two floppy disc stores, a keyboard and paper tape input/output device and visual display unit.

A high level engineering language is used for programming and facilities provided include input channel monitoring, output channel switching, interval timing to one millisecond, input of data from keyboard or paper tape, output to printer, data storage and manipulation, and arithmetic calculation.

TV ads. go automatic

ZEUS-HERMES has a contract from Thames Television to develop a computerised advertisement air-time booking and sales information system. This real time system will improve the efficiency of internal administration and simplify the operational interface between advertising agencies and Thames.

Booking of television advertisement time involves many continuously changing variables such as the available times, predicted viewer ratings at a particular time (which will depend on programmes on the BBC channels as well as ITV), the type of audience viewing and the air time costs.

The new computer will not only process the actual bookings but will provide Thames clients with the means of evaluating various options to help optimise their buying effectiveness. It will also eventually be capable of being linked directly to advertising agencies, many of whom are already computerised. This will mean that air time booking can be totally automatic, eliminating the bulk of internal and external documentation.

The design project is being carried out by a Zeus-Hermes team in conjunction with the computer staff from EMI, who are one of the major shareholders in Thames. It will be run on the Honeywell Series 60 Level 66 installation at EMI's computer division in Hayes, Middlesex. Currently there is a 128K word 66/10 at Hayes providing an internal timesharing service to the Group's scientific, engineering and financial staff. In July, 1976, this will be upgraded to a 256K 66/20 with an enlarged front end processor to provide more high speed communications links.

Zeus-Hermes is on 01-323 0637.

Big defence network

IAL DATA Communications has been awarded a contract worth nearly £200,000 by the Ministry of Defence for the supply of data communications network-management equipment for Bureau West, the 2980 computer complex at Devizes, Wilts. The equipment will be based on the Medius range of data communications control equipment recently announced by IAL.

The size and complexity of the Bureau West system and the on-line, real-time nature of its operation demand a high reliability of service and sufficient flexibility in its communications facilities to allow rapid rearrangement of the system as the demand arises.

IAL's Medius equipment has been designed with these needs in mind. Its modular and self-diagnostic approach ensures that high mean time between failures and low mean time to repair figures will be achieved.

The equipment is due to be operational by the end of 1976.

International Aeradio (IAL) is on 01-574 2411.

● PACKAGING

Heat seals the bags

TWO HEAT-SEAL packaging machines for medium pack weight and high-speed throughput applications have been introduced by Whitehall Machinery, Chalks Road, Whitehall, Bristol BS5 9ER (0272 553551).

Both machines are built to the same size and basic modular construction but aim at different markets.

The Rotoplex 2 is a continuous band heat-sealer for open-mouth polyethylene bags up to 150 microns (600 gauge) of the type used for packaging frozen and other foods, chemicals and horticultural products. Whitehall says that this machine, at less than £2,000 for a complete unit with conveyor, provides a relatively low-cost and adaptable means of packaging such products, where the output rate or type of product does not justify high-volume, high-cost "vertical, form, fill and seal" techniques.

The Rotoplex 3 is a continuous crimp pattern heat-sealer for sealing open-mouth bags made from PE-lined paper or any heat-sealable laminate, with or without gussets, of the kind used for packaging dry goods such as dehydrated foods, coffee, flour, small chemical packs and hospital packs. Almost any crimp pattern can be produced to suit users' requirements and there is no need for mechanical adjustment to cater for bags of varying thickness in the range covered—from 25 to 150 microns (100-600 gauge).

The only adjustment required is of temperature, and the control is concealed within the machine, making it tamper-proof and simple to operate.

Clearance above the heating and cooling blocks has been increased so that bags can be effectively sealed below handles or "header" cards. This extra clearance also enables a second sealing operation to be included if required for additional strength.

There is a choice of three operating speeds. Throughput depends on the size and gauge of bags, and other factors, but typically, with 9-inch bags of 200 gauge, it can be up to 40 bags per minute.

● HEATING

Small scale infra-red ovens

FOR REFLOW soldering, drying thick film paste, curing photo-resists and epoxy's, and other small-scale heating, drying, soldering and curing applications, an infra-red oven has been introduced in the U.K. by Dage Intersem, Haywood House, Pinner, Middlesex. (01-868 0024.)

Called the TR-91, it is made by Glo-Quartz Ovens Inc., of California, U.S., and is suitable for bench-top use. It incorporates a variable-speed (0-4 feet/minute) stainless steel conveyor belt, and may be integrated into existing production lines.

Oven design is flexible, enabling customers to order a tailor-made system. Two types of oven chamber are available, the first with a one-zone heat control and three infra-red lamps for uniform heat distribution throughout the chamber, and the second with individually controllable two-zone heat controls and eight infra-red lamps for various heat profiles. A three-zone chamber is available.

● SAFETY

For use in emergency at sea

AN "effective 200-mile line of sight range" is claimed for an offshore marine rescue transmitter made by Narco in the U.S. and now offered in the U.K. by Van Dusen Aircraft Supplies Company of Murdock Road, Bicester, Oxfordshire OX6 7RB (08692 42853).

The 220 x 80 x 60 mm unit is fully waterproofed and weighs 1.45 kg. Activated by a toggle switch it will then automatically broadcast internationally recognised distress signals over aviation emergency frequencies 121.5 MHz and 243 MHz for up to eight days.

In water, a flotation collar holds the beacon upright and a red light shows when the unit is transmitting.

Operation is from a 13.5 volt sealed alkaline battery.

● CALCULATORS

Fits in the pocket

IN SPITE of the recent staunching of the flow of new calculators by both the economic climate and the commercial failure of so many new models, Circuitape of 33 New Street, Aylesbury, Bucks (0296 84511) has launched the TM-820.

Smaller than a packet of king-sized cigarettes and weighing only 3¼ oz the unit, claims the company, is "a real non-jacket-sagging pocket calculator."

TM-820 has an eight digit display, the usual four functions and square root, percentage, automatic constant and automatic reciprocal. The price is £14.95 ex VAT and in quantities over 500 Circuitape is willing to put other company names on the case.

BOOKS

No 10 people BY C. P. SNOW

The Office of Prime Minister by Robert Blake. Oxford University Press for the British Academy. £3.00, 74 pages

The Most Gracious Speeches To Parliament 1900-74 compiled and edited by F. W. S. Craig. Macmillan. £14.00, 240 pages

In 1974 Lord Blake delivered the Thank-offering to Britain lectures and very suitably, for a distinguished biographer of Prime Ministers, chose to talk about the office. These lectures are excellent value. Lord Blake doesn't disguise the fact, and couldn't if he tried, that he is more interested in individual men than in political ideas. That takes away the aridity inherent in abstract discussions of the British political system, which tend to make one's feet ache. If you want to enjoy abstract thought, find a more profitable topic.

Lord Blake has a naturally balanced and tolerant judgment of men, and in British Prime Ministers he has had a fine variegated fauna to look at. Some were quite unsuitable for the job (Grafton), one or two bizarrely neurotic (Newcastle), quite a *number given to adultery*, a few greatly gifted. Lord Blake gives his own list of the supreme Prime Ministers, which is Walpole, both Pitts, Peel, Gladstone, Llyod George, Churchill. He speculates on the qualities which are required to be one of the successes, and quotes Bagehot's passage:

"The Prime Minister is at the head of our business, and like every head of a business he ought to have mind in reserve. He must be able to take a fresh view of new contingencies and keep an animated curiosity as to coming events. If he suffers *himself to be involved in* minutiæ, some great change in the world, some Franco-German war, may break out like a thief in the night, and if he has no elastic thought and *no spare energy* he may make the worst errors. A great Premier must add the vivacity of a lazy man to the assiduity of a very laborious one."

To a good many people, that *will sound* like a singularly apt description of Harold Macmillan.

Lord Blake is too perceptive a man not to be interested in the failures as well as the successes. He has studied Trollope's *wonderful picture of the Duke* of Omnium in *The Prime Minister*, incidentally one of the most under-rated novels in the language. The Duke was a foredoomed failure, and yet he was a better man, *in intellect* as well as probity, than most of those who could take the office as easily as their breakfast. Balfour, very clever and in his own fashion strong-willed, was no good as *Prime Minister*. *Nor* really was Asquith, in spite of unusual authority of personality and a devotedly persistent posthumous campaign by intellectual opinion. More subfusc men, *Campbell-Bannerman* and Attlee, were far more effective. Rather curiously, to the question who was the most cultivated Prime Minister and the one who could write most elegantly in a couple of languages other than his own, the answer is Campbell-Bannerman. Who was the most uncultivated one? There the competition is stronger.

The next book page will be on December 31

Lord Blake's book is both pleasant and wise, and the chief complaint is that it ought to be much longer.

No one except a glutton for punishment or a peculiarly sardonic commentator on political affairs could make that *complaint about Mr. Craig's* scholarly record of the Most Gracious Speeches of this century. Perhaps I am prejudiced. In general, I am in favour of forms and formalities: they are among the plinths of society, and in a corroding society it would be destructive to abolish most of those we have left. But I have never liked this particular formality. For two reasons. First, though the theory is that this reveals the Monarch as the spokesman or figurehead of the Constitutional Government of the day, it is by no means sure that this is how the public understands it: Particularly, as these speeches show, since the Monarch is allowed to insert pieces of family news and travel whose tone is entirely different from the description of legislative triumphs past, present and to come.

It is difficult to resist a kind of nightmare scenario, some time in the future:

My Lords and Members of the House of Commons.

My son and I had the pleasure of visiting Fiji, Tonga and Pitcairn's Island.

Legislation has been prepared to abolish My office as Monarch.

My Ministers will continue to work for a political solution in Northern Ireland. . . .

Second, no Government statements of such a nature can possibly be honest, and the density of double-talk finally drives out single-talk altogether. It is not good for any human collectivity to be presented with Governmental speeches which everyone, those who compose them, those who have to listen, and any sentient outsider, know to be untrue:

Most Gracious Speech, Opening of the Thirtieth Parliament 10th February, 1914. My relations with Foreign Powers continue to be friendly . . .

Most Gracious Speech, Third Session of the Thirty-Sixth Parliament, Prorogation 4th November, 1938. *My relations with Foreign Powers continue to be friendly . . .*

How remarkably reassuring. It sends a cold grue down the spine. The trouble is, it doesn't send a cold grue down enough spines.

End of an Empire

BY IAN DAVIDSON

Clive of India by Nirad C. Chaudhuri. Barrie and Jenkins. £7.50, 466 pages

I once met Nirad Chaudhuri, in Delhi during a heavy rainstorm. I had only the vaguest idea of where he lived, but my driver, darting out every few hundred yards in the downpour to make inquiries, finally brought me to a block of flats in a modest *neighbourhood. I walked up* several flights of stairs, and the door of the flat was opened by a reticent woman who was, I subsequently learned, Chaudhuri's wife. She showed me, without question, into a square room which was crowded with furniture and whose walls were even more crowded with books. In profile to me was sitting, on a stiff red sofa, a slight, bony man listening intently to a long playing record of The Magic Flute.

As I was showed in, he looked up, jumped up, turned off the record, said "Hullo," and embarked on an animated conversation about Indian politics, the English Raj, and where to buy hats in London. I say "he embarked," because I contributed virtually nothing to what was, nevertheless, a most agreeable and stimulating conversation: and it was only after about 20 minutes of animated chatter that he paused and asked me: "And who are you?"

I went to see Chaudhuri because, shortly before leaving for India, I had read his *The Continent of Circe*, which must be one of the most dazzling books about India ancient and modern, doubly dazzling because Chaudhuri's massive erudition and coruscating wit illuminate on every page the central problem of India: the cultural confusion and ambivalence which has resulted from the imposition of the values of Clive and John Stuart Mill *on a more ancient* and wholly alien civilisation.

Those who have also read his *The Autobiography of an Unknown Indian* and *A Passage to England* will understand that it was with considerable excitement that I opened his latest book *Clive of India*. They will certainly want to read it for themselves, for Chaudhuri, besides being an absolutely charming man, and a lively, *even passionate conversationalist*, is perhaps the outstanding cultural mediator between India and a West which he knows better than most Westerners.

And *yet* . . . and yet I must confess to being profoundly disappointed. His book is not, as he freely admits, based on any new findings; but that is not the problem. The problem is that the story, as he tells it, is laboured and confusing, repetitious and overlong.

The labour is not without its compensations. Cumulatively, the mass of quotations from the letters between the European soldiers and traders, and the Muslim princes, gives a powerful sense of the Byzantine complexities of arrogance and servility of an empire in the last stages of collapse, before it gives way to a new, yet still foreign, empire. And from time to time Chaudhuri leaps in with wide-ranging historical literary or historical allusions and comparisons, or with uncontrollably acid animadversions against the moral inadequacies of both the Muslim predators and their Hindu subjects, and which leave untouched, surprisingly, and distressingly, only the new acquisitive imperialists from England.

Yet perhaps, after all, this imbalance in his judgment is not so surprising. His account of the English end of the story—the political manoeuvrings in Georgian England, Clive's fight with Sullivan for control over the East India Company, and the quarrel over his *jaghir*—is much clearer and more compelling than *his attempt to describe the* comings and goings of the Muslim chieftains, whom he condemns in terms that may be justified but which certainly seem crude and caricatural.

Perhaps, when it comes right down to it, Chaudhuri is himself a victim of that cultural ambivalence characteristic of the educated Indian class, torn between reverence for the *spiritual values of a culture that* was so contemptibly belittled by E. M. Forster, and admiration for the strength and order of a people by whom it was, for a time and on the surface, so *effortlessly dominated*. If there is a profound sadness about the book (which was partly written at Oxford), it comes from the implicit sense that this strength and order, once so admirable, have *themselves given way to* decline and decadence. Born in the reign of Queen Victoria, he must find it hard to discern much comfort in the India of Mrs. Gandhi or the England of Mr. Wilson.

Indian summer

BY KEVIN RAFFERTY

Jawaharlal Nehru volume one: 1889-1947 by Sarvepalli Gopal. Jonathan Cape, £10.00. 398 pages

Freedom at Midnight by Larry Collins and Dominique Lapierre. Collins, £5.25. 500 pages

Jawaharlal Nehru was one of the few really big men of this century and 1947 was his watershed year, the year he took power and all its problems in India from the British; for the British too, 1947 was a watershed, a bleak winter at home and the beginning of the end of a once proud Empire abroad.

Biography offers one way of telling that story, but Sarvepalli Gopal has failed to grasp the magnitude of his theme or the stature of the man. He offers an account based too much on the formal positions and politickings of Nehru, the Indian Congress and the British. The real Nehru, his thoughts, the blood and the passions running through his veins *have* evaded him. Nehru's early home life is virtually ignored, his relations with his wife get a scant chapter at her death, and his daughter (now Indira Gandhi, India's Prime Minister), hardly intrudes at all. We are given little inkling of what was in Nehru's mind for the masses of India as he stood poised to take up the "tryst with destiny" of Independence.

The book is depressing because its author has a tendency to play "goodies and baddies" at the most complex social and political moments in history. The British are invariably baddies, and *poor Wavell again* gets unfairly pilloried. By early 1947 Gopal can even afford to dismiss Mohandas Karamchand Gandhi from the main scene in a couple of sentences: "His role in the *Congress was similar to that of* the head of an Oxbridge college who is greatly revered but has little influence on the governing body."

If Gopal falls because he takes virtually no account of the human drama of history, Collins and Lapierre have provided a story full of human drama. My first inclination was to say that they too had failed. It is all too easy to write bad "living history." At best it can lead to hack journalism, and there is an abundance of that in the book: at worst it is easy to slip into falsehood merely to keep the narrative flowing and dynamic.

The opening paragraph of their book shows how bad the style can be:—

"It was the winter of a great nation's discontent. An air of melancholia hung like a chill *fog over London*. Rarely, if ever, had Britain's capital ushered in a New Year in a mood so bleak, so morose. Hardly a home in the city that festive morning could furnish enough hot water to allow a man to shave or a woman to cover the bottom of her washbasin. Londoners had greeted the New Year in bedrooms so cold their breath had drifted on the air like puffs of smoke. . . ."

Yet through their technique of interviewing the main participants the authors do make a contribution to history. They won from Mountbatten the claim—sadly not properly checked as to its truth—that he was running India through Emergency Regulations *after* Independence to try to clear up the communal bloodshed.

Freedom at Midnight is highly readable, even when the writing style makes you wince. For the authors the real star is undoubtedly Gandhi. Mountbatten and Nehru and the grand masters of the old British and the new Indian Raj had tens of thousands of troops patrolling the Punjab, and yet thousands died in savage communal slaughter. In Calcutta there was just Gandhi. And he kept the peace. The twilight of the life of the forsaken old man, the "half-naked fakir" as Churchill called him, is most moving.

Cecil Beaton's photograph of Margot Asquith in 1935. It is one of many illustrations in Georgina Howell's retrospective look at "Vogue" reviewed below

English pictorial genius BY WILLIAM PACKER

Christmas is the time, above all others, when our tables are supposed to groan beneath all manner of good things, while we groan somewhere below on the floor. And books, big books with lots of pictures, have always lent their considerable weight to the fun. Even in these parlous times, *on they come, more expensive* than ever, hoping to profit by the common impulse to indulge, if not our friends and relations, then at least ourselves.

At the top of the list are the *Art Books. The great Age of* English Painting is generally held to have begun with Hogarth and closed with the death of Turner, a period Jean-Jacques Mayoux has chosen to stretch a little to include the pre-Raphaelites. In **English Painting** (Macmillan: £25.00, 280 pages, 130 colour plates) M. Mayoux gives us a full and conscientious account of the subject, artist by artist, phase by phase. His approach is biographical and explanatory rather than interpretative, and there are no surprises. The choice of illustrations, which are uniformly excellent, is unfortunately predictable, at least from an English point of view, with all the old and obvious favourites being used: but, in fairness we must remember that the author, a Frenchman, is writing in the first place to a Continental public. His book is a useful and lavish primer.

The monograph should satisfy the want of a comprehensive view of an artist's work: and here are two excellent productions, each dealing with a star in the English firmament. **Gainsborough** by John Hayes (Phaidon £9.50, 232 pages, 186 plates) takes *us through the painter's career*, almost picture by picture, the notes on each illustration admirably concise and clear. The introductory essay dwells less on simple biography, than on the *personality of the painter*, his methods, and the work itself, a sympathetic attempt to assess the nature of his achievement, its limitations and its particular qualities. Luke Hermann, in *Turner (Phaidon £12.50, 240* pages, 190 plates), on the other hand, is content to rely on a straightforward account of the life and career, describing the preoccupations, but letting the paintings speak for themselves. And, after the feast of Turner that we have enjoyed for a year or more, it is especially useful to have a book that simply brings together coherently the drawings and watercolours with the paintings, enabling us to digest the experience.

Turning from paintings to photographs, the flood of books devoted to the pioneer photographers continues unchecked. In the centre of it, quite rightly floats Julia Margaret Cameron. She was in the habit of putting together albums of work by herself *and others as gifts for* friends. Herschel's has been acquired by the Portrait Gallery, where it is the subject of a special exhibition. Meanwhile Graham Ovenden has edited **A Victorian Album** (Martin Secker and Warburg: £17.50, 252 pages, 119 plates), made by Mrs. Cameron for her sister Mia. It contains her own work, and that of others, reproduced to the size of the original plates, and those that are not strikingly beautiful are fascinating. As Lord David Cecil says in his introduction: "old photographs have a curious power to stir the historical imagination." It is a lovely book.

In Vogue by Georgina Howell (Allen Lane, £9.75, 344 pages) is equally fascinating, and many of the plates, from Steichen and *Beaton to Parkinson* and Bailey, as beautiful. *Vogue* has always set Fashion against its social and cultural context, mutual barometers: "last year's tea-stained Vogues" were ever poignant *time capsules*. Miss Howell picks her way through the mass of documentary material stylishly and with apparent ease, an achievement in itself, and writes with admirable lucidity. *Vogue* has been fortunate in its historian.

The Complete Pirelli Calendar Book (Pan: £7.00, 130 pages, 120 plates) is more obvious in its *appeal*, a curious and very pleasant memento of the last decade nonetheless. The Calendar was never crude, never explicit, but powerfully understated. It earned its celebrity, and this is a happy way for it to outlive its moment.

The City Churches, Monuments of Another Age (Quartet Books, £5.95, 128 pages, illustrated) are described in turn thoroughly by Mr. *and* Mrs. Quantrill, and photographed with commendable simplicity. Theirs is a charming and useful guide.

A Nordic saga BY WILLIAM D. SHOLTO

The Bitter Years by Richard Petrow. Hodder and Stoughton. £5.25, 403 pages

In April 1940, Hitler had defeated Poland and was considering his next conquest. British naval superiority combined with Germany's need to import Scandinavian iron ore inclined him to select Norway and Denmark. Paradoxically, everyone who mattered seemed to know of the secret Nazi plan of campaign code-named *Weseruebung*, although no one believed it could really happen. It took the Wehrmacht just four hours to conquer Denmark on April 9. Copenhagen being occupied by a troopship which quietly tied up before dawn alongside Langelinie pier.

Norway was a tougher nut to crack, but again fortune seemed to be smiling on the aggressor in 1940. The Royal Navy was not on top form and the Germans landed on the pretext of defending Norwegian neutrality, which some local commanders actually believed. Others—like Col. Sundlo charged with defending Narvik—were in any case pro-Nazi. King Haakon and his government fled, Vidkun Quisling appointed himself Minister President and Norway entered the darkest period of her history.

The majority of Norwegians *and Danes adopted a neutral* attitude, although both countries had small lunatic-fringe pro-Nazi parties. In Denmark there was Fritz Clausen's DNSAP. In Norway Quisling's *Nasjonal Samling*. Both countries had a larger patriotic minority. And both had a majority who merely sought to survive. The salient trend that Mr. Petrow's book demonstrates is the way the uncommitted majority veered round to sympathy with the Allies.

The Nazi claim that they sympathised with the Nordic races was shown to be bogus when minorities like Norway's schoolteachers were subjected to starvation and torture in the Arctic. After three years, the Nazi occupying powers were hated, even if they were mostly obeyed.

Subtle pin-pricks were administered by the courageous Danes who responded to the slogan broadcast by the BBC—*Vi vil vinde*—We will Win. *Resistance was encouraged* by the Norwegian sabotage of the Norsk Hydro heavy water plant at Vemork and the RAF raid on Aarhus. By the time Hitler ordered a swoop on Danish Jews, the underground was well enough organised to save 7,000 who were ferried to safety in neutral Sweden by Danish fishermen. Norway's Jews were less fortunate: of the 760 deported, only 24 survived.

Mr. Petrow's well-researched history shatters some myths but reflects the immense courage of the Nordic peoples who endured with such dignity a nightmare of defeat and suffering.

Crimes BY WILLIAM WEAVER

The Cup and the Lip by Elizabeth Ferrars. Collins, £2.75. 186 pages

A super, sensitive writer has drawn, guru-like, a group of admirers and disciples around him in his sprawling country house. The country's peace is threatened by industrial development, and the writer is also threatened (or thinks he is) by poisoning. Someone—but not the writer—is murdered; and the sympathetic Peter Harkness, a writer, too, but of less ethereal bent, untangles the web of sensibilities and deceptions. All neatly and economically done.

Target Practice by Nicholas Meyer. Hodder and Stoughton, £3.15. 186 pages

Mr. Meyer is the author of *The seven per cent. solution*. He lives in Los Angeles. This is his first thriller. It is a private eye story in the California tradition, this time involving (among other things) Vietnam and national politics. The pace is admirably swift. The solution—ending in one of those "story of my life" confessions—does not bear sober reflection, but then the author doesn't mean the reader to reflect (or perhaps to be totally sober).

The Revenge of Moriarty by John Gardner. Weidenfeld and Nicolson. £3.65, 289 pages

Another of Mr. Gardner's reconstructions from the Moriarty "Journals." The evil Professor, having been foiled in the previous volume, rises again, deter*mined, Monte Cristo*-like, to wreak exquisitely-planned individual revenge on his defected former partners-in-crime and, of course, on Baker Street's most famous inhabitant (as well as on *the more anodyne Inspector Crow* of Scotland Yard). The plots are, indeed, devilish, and each generates a certain amount of suspense, though there is a needless profusion of secondary characters. *There is also a profusion* of 1890's criminal argot, with glossary provided, which checks the free flow of the story. Occasionally, this "period" style slips ("But, to basics . . ." *Moriarty reflects at one point*); and Holmesians will probably dispute the authenticity of the events narrated, though that narration is achieved with gusto. Moriarty, finally, escapes, so we can expect *more of him* in a third volume, no doubt.

A Remarkable Case of Burglary by H. R. F. Keating. Collins, £2.95. 218 pages

Mr. Keating has abandoned India and Inspector Ghote (we are promised this dereliction is only temporary) and has turned *to the historical thriller*. Unlike other writers in this genre, he avoids excessive and unnecessary display of his research. The colour is applied with delicacy, not slapped on with a trowel. Bayswater, 1871. *Upstairs* Master and Mistress lead comfortable, overfed lives. Master is justifiably apprehensive about the plate. All these criminals about. Downstairs there is poor Janey, *exploited* by one of these same criminals as a source of information. The story is told with the author's familiar wit: an easy-going book, it still creates suspense. Nowadays we tend to read *on thriller blurbs* "Hollywood plans to make a major film from this book." How nice if a producer were to make a minor, delightful film from this one.

Fiction

Frosty forecasts

BY ISABEL QUIGLY

The Futurological Congress by Stanislaw Lem, translated by Michael Kandel. Secker and Warburg, £2.90. 149 pages

Comet by Jane White. Hamish Hamilton. £3.75. 222 pages

The Taras Report on the Last Days of Pompeii by Alan Lloyd. Souvenir Press, £4. 207 pages

The Houseman's Tale by Colin Douglas. Canongate, £3.50. 187 pages

The future is now one of fiction's favourite locations and fantasies set in it all seem to fit one category or the other—technological marvels on the one hand, drab barbarism on the other; *Brave New World* the ancestral influence on the first, *1984* that on the second. *The Futurological Congress* is a Polish novel translated into such spankingly inventive English that it *seems not* so much a translation as a series of ideas expressed through linguistic jokes taken ever further and faster in a kind of semantic leap-frog.

Futurologists of the future (late 20th century) meet in the Costa Rica Hilton to discuss but find themselves being manipulated through the taps and the air-conditioning. When LTN (Love Thy Neighbour) gas can turn a riot into a *love-in*, it's hardly surprising to find hallucinogens in such things as the water- or air-supply. And once you're hallucinating, futurologically speaking there's no limit to the *oddities* of your situation. Our hero, ice-packed, is defrosted into the twenty-first century when billions upon billions, jam-packed on earth, can exist only through the hallucination that all's well, luxurious even, and living space the size of a cupboard expands (h[illegible] enogenically) into a l[illegible] apartment, slops of filthy f[illegible] become delicacies, rags bec[illegible] riches. With the perversion *truth goes* the perversion language, or perhaps that [illegible] first and the perversion of [illegible] guage has brought about disease and final decease reality, if not truth.

Tichy, the *futurologist*, alre[illegible] familiar with space travel a[illegible] student of the possibilities technological zooms in this that direction, is neverthele[illegible] a constant state of unease w[illegible] melted *into the century* ab[illegible] of himself, what with the solving not just of time matter but of mind, reaction, sion and relationships, and [illegible] the slippery imagery of d[illegible] induced facsimiles of everyth[illegible] let loose to do their best worst. The mindbending d[illegible] that keep it all going are dered into an English of hor[illegible] dous fun, one that with gle[illegible] wit twists *the personality* just of people but of life it the soul of the universe: th[illegible] felicitine, placidol and superj[illegible] lan, argumunchies and purit[illegible] and dysecstasy chips, freu[illegible] morbidine, quanderil and aut[illegible] tium, obliterol and amnestol purge the mind), and a w[illegible] range of religious pills christendine and antichristen[illegible] bramax and zoroaspics, qu[illegible] oats and apocryphal dip. An fantasies of the sort, this is standing not just for wit force but for the straight it keeps throughout.

Comet belongs to the opp[illegible] school of forecasting, the [illegible] nuclear-disaster one in w[illegible] people are back in pre-history history having been burnt [illegible] crisp, leaving a few scarred humans to scratch a living f[illegible] the reluctant earth. The con[illegible] *isn't original but the treatm[illegible]* of the story has power, carr[illegible] conviction and conveying stro[illegible] a sense of doom and basic li[illegible] in weird landscapes of the m[illegible]

From primitive future *sophisticated past: The T[illegible] Report on the Last Days Pompeii*, with plenty of e[illegible] evidence, conveys the "mod[illegible] ness" of Roman times, t[illegible] visual, aural, and emoti[illegible] *familiarity*. This is the stor[illegible] a literal big bang, probably nearest thing to nuclear diso[illegible] of the science-fiction sort, which a city and its surroun[illegible] countryside was covered in and lay in perfect stillness nearly two thousand years.

Finally, from fantasy to [illegible] seems like realism: *The Ho[illegible] man's Tale* is hospital repor[illegible] of a sort to scare any patien[illegible] potential patient out of his [illegible] a first novel by a young do[illegible] with talent and an eye for macabre.

The Marketing Scene

Leyland for Saatchi

;AATCHI - COMPTON has :limaxed an extraordinary year iy gaining the advertising for ; British Leyland drive to polish he image of its entire range of ars. The sum involved is re-orted to be around £1m., and iaatchi-Compton won the account n competition with Leylands ther agencies, Benton and iowles and Murray-Parry.

The company feels that the dverse publicity it is receiving ver its financial problems (and eports by think tanks) could ub off on the cars, and to thwart his amassive campaign for the ange will start in the New Year. t is an unusual assignment, eing neither a corporate nor an idividual branding task. It rings Saatchi-Compton's billings rom Leyland to over £2.5m.

CHRIS INGRAM, who helped form the Media Department, he Kimpher owned media buying ompany, has left to start his own peration. He is building from cratch and will initially concen-rate on advising agencies on edia matters. David Reich ikes over as managing director. The Media Department is irrently placing around £7.5m. orth of advertising a year, some .5m. of which is TV bookings r Kimpher agencies. The rest is r advertisers who prefer to buy edia independently of the gency and an impressive new ient, British Olivetti, which will end around £250,000 a year, has st signed up.

A NEW corporate advertising mpaign for Shell breaks on TV December 28 with a 60 second mmercial. It stresses the range Shell products in industrial, mestic and economic life, and vives the "Keep going well" ngle, now in its third decade. e campaign has been devised OBM and also has a heavy ess content.

MARKS AND Spencer is inching its Gift Vouchers on this week with a £15,000 rst on Thames and Granada. e creative work comes from hn Simmons Creative Consul-nts and the media plan from e Media Business.

J. WALTER THOMPSON is blishing a series of papers ich make the case for adver-ing. The first by Jeremy llmore and John Treasure vered the definition and reason r advertising; the second, by rold Lind, looked at the onomic ramifications: and the ird, published this week, con-ntrates on advertising and ciety. It was written by derick White and Judie nnon.

VERNONS has been appointed handle the £200,000 Omega atches account, as from next ar. Dorlands was the previous ency.

INFLATION AND RECESSION

Hardness of the times

BY ANTONY THORNCROFT, MARKETING EDITOR

FOR ALL the glamour of the actual advertisements, especially in television commercials, and for all the gossip in the agencies, the advertising industry, more than most others, is dependent for its prosperity on the business confidence of companies, which in its turn means the general state of the British economy.

So it is basically a very serious operation and, as Jim O'Connor shows on this page, the productivity record of agency personnel is something to warm the heart of the Chancellor of the Exchequer. In the same way the fact that not much more than 13,000 people are employed, of which less than a half are actually involved in the task of producing advertising, would seem to dispose of the rumour that it provides a fat and lazy living—at least these days.

Advertising has, in fact, been in decline for quite a few years, and two reports this week provide the economic background to the decline. A Nielsen Researcher is devoted to marketing in a period of inflation and recession and the Media Department has looked into the devaluation of the advertising pound from 1970-75.

Nielsen starts with the fact that while actual spending by housewives in grocers shops has grown by 86 per cent. since 1969 prices have jumped by 99 per cent, suggesting a "real" decline of 7 per cent. This is further reflected in an investigation into 35 packaged goods categories, which account for more than a fifth of grocers' business. Between 1967-72 actual sales rose by 1 per cent. In 1973 they fell by 3 per cent., managed a 1 per cent. improvement in 1974, and have declined by 1 per cent. again in the first seven months of this year.

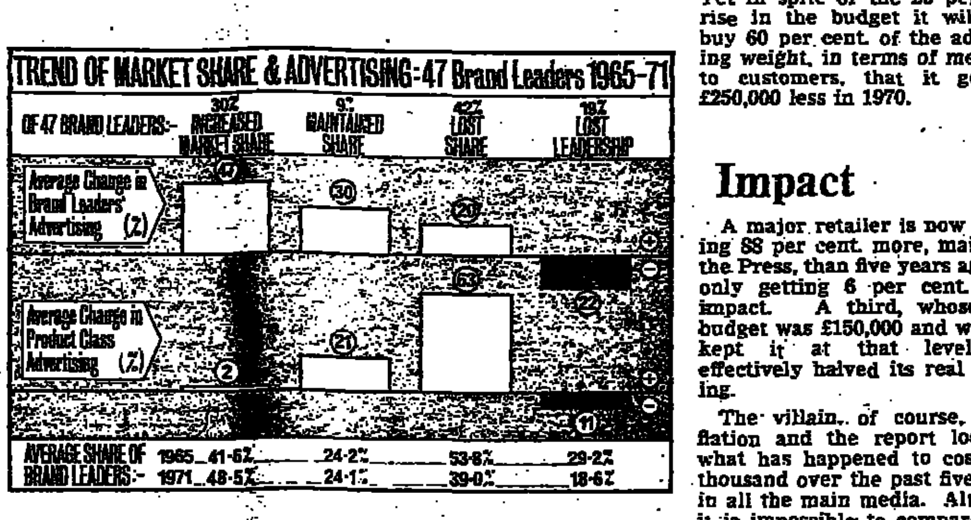
The fact that prices have risen faster than sales means that certain products have got their price/value relationship wrong. A good example is provided by butter and margerine. Between 1967-72 margerine achieved an average growth rate of 5 per cent. a year, while butter sales slumped by 4 per cent. annually. But in 1974 a Government subsidy aided butter, culminating in the first seven months of 1975 in a 13 per cent. fall in margerine sales and a 10 per cent. gain for butter. The same pattern is discernible between vegetable oils and cooking fats, with the later gaining 4 per cent. in sales earlier this year as the price moved in their favour.

Ironically "own-label" brands do not seem to have benefited as much. A survey of 18 brands shows a volume increase from 25.1 per cent. to 27 per cent. between 1973 and 1975, and a sterling improvement from 19.7 per cent. to 21.3: a useful but not amazing rise.

Some products that seem to have bucked the trend, apart from butter, are ready-to-eat cereals, packet soups, and cat foods. On the other hand, brands which have suffered the most are those where a less expensive substitute is readily available, or where there has been an exceptionally large price increase, or where the rate of frequency is easily controlled by the user.

As profits fell for the grocery manufacturers, advertising budgets were cut back in an effort to hold costs down. Nielsen examines the question of by how much and how soon should companies restore their advertising spending. By producing figures for a previous recession it suggests that those brand leaders in 47 markets who increased, or maintained, their competitive position had increased their share of the advertising effort. Nielsen believes that for established brands the share of advertising should be maintained at a level approximating to the share of the market attained by the brand.

This optimistic view for agencies may not be borne out in practice if the Media Department's report is accepted. It begins by quoting some MEAL figures about a leading packaged goods advertiser which invested £1¼m. behind its brand in 1970, 80 per cent. of it on television. This year it is spending £1½m. Yet in spite of the 20 per cent. rise in the budget it will only buy 60 per cent. of the advertising weight, in terms of messages to customers, that it got for £250,000 less in 1970.



Impact

A major retailer is now spending 88 per cent. more, mainly in the Press, than five years ago, but only getting 6 per cent. more impact. A third, whose 1970 budget was £150,000 and who has kept it at that level, has effectively halved its real spending.

The villain, of course, is inflation and the report looks at what has happened to costs per thousand over the past five years in all the main media. Although it is impossible to compare such different activities as television watching and newspaper reading and to know the various discounts the Media Department attempts a comparison and suggests that over the five years television cost factors seem to have increased rather more than the cost of living while press costs have lagged behind.

However the high TV index numbers from 1972 onwards are influenced by the fact that television time was cheap in 1970. Since 1972 both TV and Press costs have risen less than the rate of inflation, and TV has increased less than the press groups examined.

What this means for advertisers who want to maintain their 1970 impact is summarised in a table. A 1970 £250,000 campaign concentrated on TV should now be a £520,000 account. A £250,000 burst in national advertisers ought to have grown to £415,000, in general magazines the rise is from £250,000 to £335,000, and in womens weeklies to £430,000. The sad fact is that hardly any advertising budgets will have received this boost in the first half of the 'seventies.

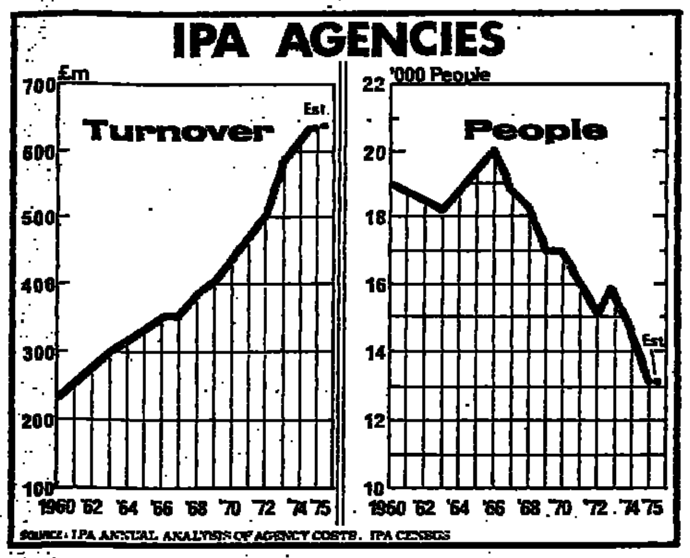
ADVERTISING AGENCIES IN 1975

Only two per cent. casualties

BY JAMES O'CONNOR, DIRECTOR OF THE INSTITUTE OF PRACTITIONERS IN ADVERTISING

IN DECEMBER a year ago a very frosty future was predicted by more advertising people than there are snowflakes in a snowstorm. So we are all rather amazed to look back a year later and find ourselves still here; many, indeed, thawing themselves out with the help of new business and, even in some cases, increased profits.

But not all. Life is hard for most agencies, and their prospects for 1976, while probably no worse than those for 1975, look like continuing the challenges and increasing the pressures while the economy struggles to get back to rights.



Turnovers (billings) in 1975 for IPA agencies (the very great majority of all advertising agencies) have just been estimated on the basis of returns from the larger agencies. A rise of 4 per cent., at £626m. (compared with £603m. for 1974), is not enough to handle inflationary costs, but does help when gross returns increase alongside. Two years earlier agencies averaged an income of 15.7 per cent. of turnover; in 1974 this rose to 16.0 per cent. This year should improve the percentage again.

Taking these two factors together, plus the action all agencies have taken to cut costs, the profitability figure is still likely to drop. Its largest fall was in 1974 over 1973 (2.4 per cent. down to 1.8 per cent.). My guess for 1975 is 1.5 per cent.—a slender margin whether viewed on a turnover or income base.

The IPA census of people at September 1, just being published to members, shows a further fall in numbers—from 14,900 in September, 1974, to 13,300. From a special study of redundancies just completed among the agencies it would seem that only about one-quarter of this fall is due to actual redundancies: the remainder is not replacing those who left, retired or died.

Productivity has risen yet again, the consequence not just of inflation but of turnovers still rising a little while numbers of people are well down. It stands at about £46,000 per head on average for 1975, compared with £40,000 the year before. Some agencies, of course, are well beyond the average: a few produce figures twice as good.

The final profits before tax of the agencies are more and more affected by increasing bad debts which, as a result of their acting as principals, they have to pay off to media when a client defaults. 1974 saw an all time high at nearly one million pounds (£973,000). These bad debts fell particularly on the medium and small sized agencies, where the figures just about doubled in one year. Since the total of all net profit before tax of IPA agencies in 1974 amounted to only £10.7m. the bad debts figures is very significant.

As John Treasure said recently in an article in IPA News, the advertising agencies are a relatively small business. Their total gross incomes (for all 285 IPA agencies) amounted to less than £100m. (in fact £96.5m.).

The division of these incomes into source is interesting. Many people are inclined to think that an advertising agency gets just the media commissions, and that's that. Not so. Each IPA agency on average now gets £3 in every £10 of its gross income from sources other than the media commissions. And in the case of industrial agencies it is about £5 in every £10. But the media commission remains the dominant base on which agencies and clients agree the total remuneration package.

In all this welter of averages many differences are hidden. Not *every* agency even made a profit in 1974. Also, great variations exist between such groups as industrial and consumer agencies, or those in London compared with those outside. Although profit percentages have moved very much closer together over the last three or four years, the differences of grossing are still very apparent.

An industrial agency grosses on average 18.9 per cent. (15.9 per cent. ten years ago), while its consumer counterpart achieves 15.9 per cent. (15.1 per cent. ten years ago). An agency outside London will gross 18.5 per cent. (ten years ago it was 16.1 per cent.), whereas in London it is only 15.8 per cent. (14.9 per cent. ten years ago). There has hardly been a change in the number of people employed outside London—nearly a quarter of all agency people work there, and the figure has reduced by under 200 in the last five years.

Other studies carried out by IPA recently have been specials on the rents agencies are paying throughout the country, and a survey of the arrangements about staff: their hours of work, pension arrangements, bonus schemes and so on. The average salary of the agency worker rose in 1974 by only about 13 per cent., to make a total payroll payment of £51.3m., which was rather more than half of the total gross income of the agencies. It was, as always, the largest part of the 88.8 per cent. of gross income which went to pay all the expenses of running each agency.

The agencies' problems weren't eased during the years as a result of a squeeze on their cashflow: media at one end have been pressing harder than ever for their cash, while advertisers have in the main tried to get a little more credit than before. And 12 agencies went into liquidation as a result—hence the 98 per cent. survival rate in the heading.

Nevertheless, 1975 was definitely a year of survival for the agencies, much to the amazement of some of our more pessimistic colleagues. Nineteen seventy-six looks like being a year when the survival kits built in 1975 are still kept handy but where there should be less likelihood of lifeboat stations being called than in the previous year.

AGENCIES—NET PROFIT (Before tax)

	% of Turnover	% of. Income
1960	2.9	19.2
1963	2.1	13.9
1964	2.5	16.6
1965	2.2	14.3
1966	1.8	11.6
1967	1.7	11.0
1968	1.9	12.0
1969	1.8	11.2
1970	1.5	9.3
1971	1.8	10.8
1972	2.6	15.8
1973	2.4	15.1
1974	1.8	11.2

Now 1976

AT THE last moment Time and Space, an "occasional bulletin" from the media department of Young and Rubicam has arrived. It covers in part the same ground as the Media Department's review of advertising costs from 1970-75, but adds another dimension by making forecasts for 1976 television costs.

Y and R reckons that TV costs for advertisers rose by 15 per cent. this year but will go up by 20 per cent. in 1976 because of basic rate card increases, a tougher sales policy from the contractors, and growing demand.

The ITV companies will need to take a hard line because the good rise of 17 per cent. in their revenue this year is still below inflation. Y and R believes that the cost of television will have risen by 80 per cent. next year over 1970, effectively reducing the buying power of £250,000 to 55 per cent. of its 1970 value. The agency reckons this makes TV a questionable medium for the 140 advertisers spending between £200,000-£300,000 a year on TV.

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Incorporating THE FINANCIAL NEWS

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BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.86.01 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 210039
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Kaslaminvägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 285 Ont. 6 Charles St., E. 416 921 6875
Jo'burg: 637 Union Centre East corner Pritchard and Harrison Streets, P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku Tel: 241 2920

THURSDAY, DECEMBER 18, 1975

Resigned to recession

THE EXTREME modesty of the Chancellor's latest measures to relieve unemployment is a virtual confession of helplessness. Mr. Healey, to do him credit, has given repeated warnings that he is in no position to apply any serious stimulus to demand, given the over-riding problems of inflation and the balance of payments; his policy, unlike the Government's policy, appears to be consistent. In the deepest recession since the war his actions are probably deflationary; the public expenditure cuts which have, according to report, been conceded by the Cabinet will have far more effect than the relaxation of hire purchase controls—a matter of unlocking the stable to discover if the horse has died.

Increased saving

The chances are that it will prove to be comatose for some time to come. As is shown in the latest OECD survey of the economic outlook, published yesterday, consumers in all the developed countries have shown a similar pattern of behaviour in the inflationary recession: they have increased their savings, and have tried especially hard to reduce their debts. The traditional Treasury notion that hire purchase restrictions dam up potential demand, which can be released rapidly when there is spare capacity in the economy, is almost certainly about to be disproved.

If the Government can do nothing to control events at home, it must wait for external help: and both Mr. Healey and Mr. Wilson have repeatedly made it clear that they feel that the U.S., Germany and Japan might do more, from their relatively strong economic position, to stimulate a revival of the Western economies. This view has been much criticised, but it receives explicit support from the OECD: the review offers a clear admonition to Germany, in particular, against over-hasty action to eliminate her budget deficit, arguing that Governments who may well prefer a wait-and-see policy after the disasters of recent years should at least refrain from any action which would hamper recovery.

This again represents a conventional, demand-management view of affairs; but is such a view any longer realistic? The conventional analysis, which has already proved a bad basis for forecasting, seems to beg important questions about the future.

Two issues

There are two inter-related issues here: confidence, and the effect of continuing inflation on both confidence and activity itself. It is not only in this country that the business and financial communities have had their confidence badly shaken by the spectacle of Governments—and especially those governments with a long record of financial rectitude—incurring apparently astronomical deficits in an effort to stabilise their economies. Indeed, the OECD itself suggest that a clear plan to reduce Government deficits would restore confidence. It is an odd analysis which requires Governments to plan to get their finances into balance, but to refrain from actually doing anything about it.

If the question is faced clearly, the facts of recent months suggest a different analysis. Inflation itself undermines confidence by enlarging uncertainty; it enlarges Government deficits since taxes are collected in arrears; and it provokes the saving to finance the Government deficits.

So far as this is a true picture of events, it seems likely that Governments will continue to incur large deficits, yet without stimulating demand, until inflation itself has abated a great deal further. This analysis reinforces the OECD's forecast *for the immediate future*—a very modest recovery in 1976, led by the U.S. and Japan, which will tend to peter out: but it points to a different policy conclusion. It is that Governments who wish for an economic recovery are right in giving total priority to reducing the rate of inflation. It is difficult to imagine that any sustained recovery in activity which started from a forecast OECD inflation rate of 8 per cent. would not soon have disastrous consequences: but those who fear such an outcome should be comforted by the growing evidence that a recovery cannot be engineered in such circumstances. On a long view, then, it is encouraging that Mr. Healey, and other finance ministers, should admit publicly that they cannot play Santa Claus.

Risks for detente in Angolan war

THE South African Defence Minister has now officially admitted that South African troops are involved in the Angolan civil war. His statement yesterday, on the four South African soldiers captured by the left-wing MPLA forces and exhibited at a Press conference in Luanda, raises as many questions as it answers. If they belonged to logistical units, were they providing support for South African battle troops or not? If they were captured at Cela, as the MPLA claims, they were some 400 miles inside Angola: hitherto Pretoria has only admitted its commitment to the protection of the Cunene dam just across the border.

Commitment

But whatever uncertainties subsist on the extent of South Africa's present involvement in the Angolan war it is clear, from the Defence Minister's parallel announcement of an extension of national service, that the government intends to be in a position to increase its military commitment. It may be premature to leap to the conclusion that Angola will be South Africa's Vietnam, but the government is surely playing an exceedingly dangerous game which could have damaging repercussions for itself and for its broader policy of détente in southern Africa. Pretoria may believe that it is a vital national interest not to have a northern neighbour ruled by a Marxist régime. But it is much easier to get involved in such a war than to be sure of winning, especially when the rival armies are being backed, more or less discreetly, by the two superpowers, and it is virtually impossible to be sure of winning rapidly and at small cost.

Black Africa is far from united in its view of the claims of the rival liberation movements. Less than a third of the members of the Organisation of African Unity openly support the MPLA, others are sitting on the fence or (like Zaire) support the FNLA, and the OAU is unlikely to adopt a common position in the near future. But South Africa's diplomatic position is almost bound to be made more embarrassing by avowed interference in a neighbouring black state.

Repercussions

More seriously, South Africa's involvement could well lead to an escalation of a war which already threatens to have repercussions on détente between Washington and Moscow. Dr. Henry Kissinger is committed to the view that the MPLA must not be permitted to win, and the United States has already supplied money to the FNLA movement which is backed by Zaire. It is virtually inconceivable, in the light of the Vietnam experience, that the Administration could do more than provide money and arms, and it is clear that Dr. Kissinger's views are contested inside the State Department, to say nothing of other parts of the government.

But even an arm's-length involvement by the United States, in competition with the Soviet Union, could raise serious questions in Washington over the real state of détente.

Above all, Angola may provide a test-case for the Kissinger strategy of interfering on ideological grounds in small countries (usually with regrettable results), while attempting to negotiate overarching agreements with the Soviet Union. Dr. Kissinger should consider whether anything useful is gained by selling grain to the Soviet Union, while at the same time waging a covert war against Soviet protégés in southern Africa.

Ringing in the year of the closed shop

By JOHN ELLIOTT, Labour Correspondent

OF all the industrial issues which arouse political passions and public anger, that of the trade union closed shop is probably the most potent. To varying degrees it annoys those who object to unions in general, those who resent the growth in trade union power, and those who just do not like being told what to do. There will soon be a lot of this sort of opposition around. For next year promises to be the "year of the closed shop" as unions prepare to cash in on new legal freedoms provided by Government legislation.

SOME NEW CLOSED SHOP AREAS

100,000	Electricity supply manual workers	1969 agreement reintroduced last year
200,000	Railway workers	1969 agreement reintroduced four months ago
200,000	Post Office workers	New agreement awaiting final legislation
540,000	Civil servants	Government considering national claim
40,000	Electricity supply white collar workers	National claim lodged
45,000	Gas supply white collar workers	National claim lodged
110,000	Other public services	Similar white collar claims contemplated
400,000	Local government white collar workers	National informal talks: local claims lodged
1m.	Local government manual workers	National informal talks: local claims lodged
55,000	Ford manual workers	Claim to be lodged soon
21,000	Vauxhall manual workers	Agreement implemented last month
13,000	Trustee Savings Bank staff	"Agency shop" agreement being finalised
60,000	Footwear industry workers	Agreement planned to start next year

Last year's Trade Union and Labour Relations Act freed closed shops from the 1971 Industrial Relations Act's constraints but successful Opposition amendments watered this down, especially by giving individuals the right to opt out "on any reasonable grounds" and not only for strictly religious reasons. The precise meaning of this is now being tested in an industrial tribunal on the Ferrybridge case of six electricity supply workers who have lost their jobs through refusing to join closed shop unions. At the same time Mr. Michael Foot's amendments, now the subject of the Parliament Act, are aimed at stopping this potential loophole.

A large number of unions, including those in the civil service, are preparing to forge ahead with closed shops, aimed at consolidating their positions, especially in white-collar areas, and at killing off breakaway unions, such as the Ferrybridge Electricity Supply Union, which expanded during the Conservatives' Industrial Relations Act.

Freedom of the individual

Closed shops are now being introduced, negotiated, or claimed for something like 3m. workers. This is in addition to some 4m. workers who it is estimated are already covered by varying sorts of shop arrangements and amounts to a substantial proportion of the total of 10m. workers in TUC unions.

For the past year it has been the impact of journalists' closed shops on the freedom of editors to edit and on the freedom of speech which has dominated the debate on closed shops. Now with the Ferrybridge case coinciding with the re-emergence in Parliament of the Government's legislation on the subject, the debate is being broadened.

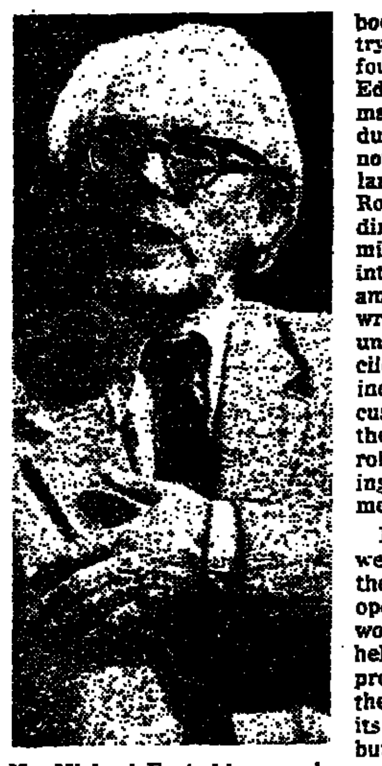
The debate involves an argument over the relative importance of individual versus collective rights or, as one labour relations expert cynically put it, "unbearable coercion versus industrial logic."

The issue centres on the fate of the man who refuses to join, or wishes to leave, a trade union and so loses his job. This raises the question of the freedom of an individual to join collectively only with those he chooses—and not to be penalised as a result. Some people may object on the strictest religious grounds, and are generally excluded from closed shops. Others may develop "conscientious" grounds, but in practice these generally are confined to religion. Even the Conservatives' National Industrial Relations Court found in one case that the issue of conscience "necessarily points to and involves a belief or conviction based on religion in the broadest sense as contrasted with personal feeling, however strongly held, or intellectual creed."

Most opponents of the closed shop want a far wider let-out although their objections may be more on industrial grounds than on points of principle. The basis on which the Ferrybridge-centred Electricity Supply Union has thrived, for example, has been the freedom to join a union which an individual regards as industrially preferable. The case at Vauxhall, on the other hand, stems from objections to the Amalgamated Union of Engineering Workers' strike record.

Problems of this sort are likely to multiply as closed shops expand into areas shown in the table, especially into occupations such as the civil service. But if it is generally accepted that closed shops in some form should be permitted, then the corollary must be that there should be some rules and sanctions to enforce them—and the contentious issue of a man losing his job if he refuses to join seems to be the logical conclusion for such sanctions. This leaves open the question which has arisen at Ferrybridge of whether the man is guilty of industrial misconduct and should lose his unemployment pay.

Broadly, employers take the view that closed shops are useful and fair providing that a large proportion—say 90 per cent. or so—of a workforce is *already in trade unions*. Sometimes employers find that, where they have more than one union, a shop agreement embracing them all can help to sort out inter-union difficulties by making the unions (perhaps with the help of the TUC Bridlington inter-union rules) carve out and maintain their parishes. The electricity supply industry, whose manual workers' closed shop has led to the Ferrybridge case, is an example of this but there are other cases where inter-union rivalry and disputes have continued within closed shops. Equally they can, but need not, enhance unions' authority over their members and so decrease the risk of unofficial industrial action.



Mr. Michael Foot: his amendments to the Trade Union and Labour Relations Act are intended to plug a potential loophole.

An employers' view of the industrial logic of a closed shop is illustrated by a passage in a book on the electricity industry's labour relations written four years ago by Sir Ronald Edwards, who had been chairman of the Electricity Council during the 1960s and who is now chairman of British Leyland, and by Mr. R. D. V. Roberts, the then personnel director of the Council. Summing up a chapter covering the introduction of the closed shop among other matters, they write: "We consider that the unions, in this decade, reconciled the economic needs of the industry and the demands of its customers with the pursuit of their traditional and proper role of protecting and promoting the interests of their members."

Here these senior managers were reflecting a view that in their industry they had four co-operative, constructive manual workers' unions which had helped with modernisation and productivity improvements to the benefit of the industry and its members. In any case, all but 1 or 2 per cent. of the workers were in the unions already.

The basic trade union view is that closed shops are a natural right, enhancing a union's strength and keeping interlopers out. In particular they dispose of that most despised of all creatures in union circles—the "free rider" who reaps the benefits attained by the unions he refuses to join, and the breakaway union which seeks to undermine established, normally, TUC, unions.

Minority unions

Sometimes, however, the complexities of inter-union relationships can discourage unions from wanting to formalise vague frontiers while at the same time a minority union in a company or industry might well oppose a closed shop because it would curtail its growth potential.

But the basic union view is well put by Mr. Geoffrey Drain, general secretary of the National and Local Government Officers' Association, which is sponsoring closed shop claims across the public service. White collar trade unionism is the growth area for the next decade and Mr. Drain probably spoke for almost all his colleagues when he told me: "Trade union negotiations and machinery are so much a part of the citizens' working life that it is unreasonable that someone *should* be able to opt out, other than on the strictest religious grounds, from trade unionism any more than he can opt out of the other laws and conventions like those covering planning or education which similarly affect his life in the community."

Traditionally, many trade unions have taken a fairly relaxed and libertarian view of individuals who want to opt out of membership. For example, deals such as those originally struck by industries like electricity supply before the IR Act provided for the closed shop only to apply to new entrants to the industry (who could also object on undefined conscientious grounds). Existing employees were perfectly free to stay out of the unions if they wished but all existing and new union members would not have the right to resign.

Different systems

This is a typical way of operating the most normal type of closed shop—known as the post entry shop but sometimes called a "union shop" or "100 per cent. union membership." This provides that people must become a member once they are employed and is quite different from the rare and restrictive pre-entry closed shop where a man must join a union before he can be employed.

All the closed shops now being introduced, or claimed, are of the post-entry type and some also include the provision that existing employees need not join —a union concession frequently requested by management on both libertarian grounds and because it rules out the Ferrybridge type of problem where existing employees are made martyrs. However, unions have become far less willing to concede this point following the peroid of the IR Act which encouraged the growth of breakaway unions. When the electricity closed shop was reactivated last year, the unions were adamant that everyone had to be members and that the exception for existing employees which they had ben prepared to concede when the closed shop was first introduced in 1969 was no longer tenable.

Many unions are now tak this line, which suggests t there could be a large num of industrial tribunal app in the coming months. The istence of a non-TUC organ tion, the Confederation of I ployee Organisations, encou ing breakaways such as the E tricity Supply Union where dividuals want to assert t freedoms, is important beca it could act as a polarising fc for dissidents as well as a cer for propaganda and puti pressure on politicians.

A less strict form of clo shop, the "agency shop," imported into this country fr Canada by the Conservati IR Act, and overcomes m such objections. But it was b cotted by the TUC and was li used except by one or unions such as the Natic Union of Bank Employ which is still negotiating s arrangements.

These would provide people who do not want to j the union either to pay dues an "agency fee" to the un or to pay an equivalent sum an approved charity. This r be favoured in some wh collar areas, such as the c service, as a way of handl existing employees who obj to joining a union, but general union view is that " want members, not pay guests."

The basic question

There are, therefore, vari ways in which the introduct of a closed sho pcan be ea —by allowing existing ployees to be exempted. providing for "paying gues and by interpreting c science" more widely tl strict religious grounds. E while such innovations mi "buy off" many opponer they still leave the basic qu tion of whether or not th should be closed shops at They do not deal, either, w the problem, illustrated by editors' row, over the iss closed shops raise as they m into professional and manage areas. But the blunt fact is t the Conservative Governm failed with its IR Act to out them and senior Conserval Cabinet Ministers were r pared to restore them leg if the IR Act had ever b amended.

What the IR Act did do to prevent their spreac rapidly into the areas wh are now being opened up. is this surge forward by unions which justifies a r look at an issue of union po which has normally b accepted with only occasic outbursts of public protest the past.

MEN AND MATTERS

Belfast signals for help

While the fuss rages over the £162m. plan for saving Chrysler there is a much more modest claim on Government funds being made to save one of the City's latest, but most popular landmarks. HMS Belfast, the last surviving British cruiser from the last war and now moored opposite the Tower of London is in financial difficulties—or rather the HMS Belfast Trust (which took the ship over four years ago) is.

Rear Admiral Philip Higham, director of the trust, makes it clear that the financial difficulties fall into two categories. The ship is losing money as a going concern at the moment, but that is not what the discussions with the Department of the Environment are about. Government aid is being sought on the longer term problem of maintenance. Docking to see to the hull will be essential at some stage and there is inevitably gradual corrosion to the upper works. It is hoped the *DoE* may come across with some aid in these respects.

Difficulties on the current account are partly due—like most people's—to inflation. By to-day the number of visitors to the ship should have topped the 1.5m. mark, and it is also proving a success as a venue for private functions. But even charging West End prices (with the catering being done by Ring and Brymer, the family company of the new Lord Mayor, Sir Lindsay Ring) the ship is operating at a loss.

The rest of the trouble dates back to the original appeal launched by the trust to acquire the Belfast and bring it round from Portsmouth to what was intended as its permanent home in the Pool of London. The appeal was designed to raise £200,000 and only got as far as £108,000, while *the actual cost* of the operation was £210,000.

The shortfall of around £100,000 is being funded by an overdraft from National Westminster Bank, secured on the scrap value of the hull. As the Admiral points out, even if the overdraft could be eliminated it would mean a saving of between £10,000 and £12,000 a year in interest payments which in turn would halve the trust's financial problems.

Another appeal is being considered, as are various alternatives, and there is a concentrated drive to step up the number of private functions held aboard the ship. Unless these moves are successful the only alternative would appear to be the unfortunate end of the last ship from a bygone age. Launched in 1938 the Belfast is a heavy cruiser, steam propelled, and with guns as its main armament. That makes it the last British ship to rely on a broadside as its chief weapon. To-day's navy sets greater score by sophisticated guided missiles.

Barnes sounds off

"Brutal . . . insensitive . . . clumsy." Thus Derek Barnes, one-time Blackburn Rovers professional footballer, yesterday described the process of receivership which overwhelmed his Northern Developments house-building group in the summer. Barnes founded the company before he was 21 and floated it in 1968. He boasts of the way his dominant role continued, and his reaction to the decision of bankers Williams and Glyn's as debenture holders to call in receivers was decidedly bitter. He was sacked as chairman in July.

The past few days have seen a curious turn in the story. It became known that Barnes was *planning to speak at a London* seminar on insolvency *(there's a sign of the times)* yesterday. On Tuesday, Peat Marwick Mitchell, the accountancy firm providing the receivers, launched a counter-attack of its own. It rejected a statement by ND's present directors that there was a surplus of assets over liabilities and said the joint receivers (including Rupert Nicholson of Rolls-Royce fame) "do not accept the accuracy and deny the relevance" of Barnes's alleged statements on land sales Peat *Marwick had handled.*

"Is the EEC going to help us to dispose of our car mountain when it comes?"

The organisers of the seminar became nervous, it seems, at what Barnes might have to say and he adjourned to another room of the Hilton Hotel to deliver the promised barbs. Barnes's central argument was that bankers should not be allowed to demand suddenly massive reductions in outstanding loans, and *then* have the power to appoint receivers if a company cannot meet the new arrangements.

Barnes duly criticised the prices obtained for land both prior to receivership — Peat Marwick had been called in as advisers several months before the fateful event—and afterwards. He criticised too recent valuations of the company's land bank and work-in-progress by independent surveyors and the amount received by the receivers which he thought would total £1m. a year.

Several of those attending the seminar slipped upstairs to the Barnes show. There were laughs. Having slanged the banks' attitude, Barnes grumbled at his audience: "Just try being in that position." "Matter of fact," said one gentleman, "I am."

Post pourri

In common with many other people, I've trimmed the *Christmas card list*. Peculiar, though, that having refused a special seasonal internal rate, the PO doesn't have the same flexibility when it comes to international charges. Under printed paper rules (less than five words and an unsealed envelope) 5p will get the message to New Zealand.

The Post Office warns me that sort of mail can take a long time to arrive. That's not a cue, please, to write in with your latest first-class-and-it-took-a-month story.

Insect news

A glow-worm decided to have a hysterectomy. The result delighted her.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Death of a non-existent strategy

THERE ARE two arguments against the Chrysler rescue which have been overplayed. The first is that it is a breach of the so-called "industrial strategy" announced at Chequers. The second is that it conflicts with the Think Tank Report.

The rescue operation is, however, quite out of keeping with both Mr. Denis Healey's well-known personal views about not attempting to preserve senescent industries and his official duties as guardian of the public purse.

Do not believe

By not resigning over Chrysler, Mr. Healey is reinforcing his reputation as the tough Chancellor who loses most of his battles. The characteristic feature of this Labour Government, compared with its 1964-70 predecessor, is that so many of its Ministers do not even pretend to believe in its policies, but defend them purely in terms of "political and social realities."

By this they mean the demands of the union leaders, or pressures from within that any section of the population which plays an active role in the Labour Party and whose disproportionate influence depends largely on the self-interested refusal of both Front Benches to reform the electoral system. It is a habit Whitehall advisers have picked up with their rejected plan for cosmetic import controls on cars in return for a smaller Chrysler rescue.

The reason why there is no use to weep over the ruin of the "industrial strategy" is that there was very little strategy to start with, and what there was was mostly bad. The document which was eventually agreed at Chequers a few weeks ago went through an enormous number of drafts by the end of which almost anything meaningful had been deleted. This was why the CBI and TUC could both so readily endorse it.

But if it did have one residual doctrine, it was that of the corporate State or Heath-Healeyism. This was that the Government and "industry" would in concert pick on "growth" sectors, which would be stimulated by Government financial and other favours. Why they should need such favours if they really were "growth" sectors was never explained; nor was the means by which tripartite committees would be able to find promising investment projects which had escaped the scrutiny of people and organisations with their own money at stake.

Plaything

The Chrysler rescue operation will have performed one service if it lays to rest these illusions. Industrial intervention in the U.K. nearly always takes the form of slowing down change, and preserving concerns against which consumers at home and abroad have voted by withdrawing their custom. Alternatively, as with Concorde, it takes the form of prestige projects which cannot pay their way commercially, and whose spill-over effects which do not appear in the profit and loss account are usually unfavourable.

Whatever may be possible in the French context, industrial intervention in this country is the plaything of short term political pressures and regional and industrial lobbies. It would be best to recognise this fact of life. There is, of course, a perfectly good case for deliberately slowing down the pace of change to protect those affected by it.

One example would be financial support to postpone large scale redundancies during a recession—defined as a period when the *trend* of non-student unemployment is upwards. In the upturn, the rate of lay-off could still be controlled. At least we would be under no illusion that we were doing anything other than deliberately retarding industrial change for the sake of other objectives. The operation would be limited in extent and time and the cost could be closely monitored.

The real harm from the last Government's Upper Clyde rescue, the Rolls-Royce salvage operation, British Leyland, and now Chrysler, is not the attempt to subsidise existing jobs. It is wishful thinking about future profitability, which leads to the commitment of the really large sums of money stretching indefinitely into the future. The remark which has made my week is that of Sir Kenneth Keith, Chairman of Rolls-Royce (1971), who is negotiating for upwards of £100m. from the Government to meet next year's working capital requirements and who has just said: "It annoys the hell out of me to see money being put into Chrysler."

Discussion of the recovery prospects of industry's "wounded heroes" (Mr. Wilson's term) brings one to the Central Policy Review Staff (Think Tank) Report on the British Car Industry. Of course the CPRS deserves praise for confirming and quantifying what we have all suspected but never quite been able to prove. The key example is that British car assembly plants produce only half as much per man, using identical equipment and making identical models, as their counterparts on the Continent.

FLOWS OF UNEMPLOYMENT AND VACANCIES
(Employment Offices only)

GREAT BRITAIN Seasonally adjusted	UNEMPLOYMENT Joining register	 Leaving register	VACANCIES Inflow	 Outflow
	('000)	('000)	('000)	('000)
1974: Average per month over first 11 months	329.3	312.6	201.2	208.0
1975: Average per month over three months ended:				
June	390.8	342.8	157.4	175.3
July	410.1	341.0	158.0	171.1
August	417.4	346.0	161.0	167.4
September	427.4	360.9	167.8	168.5

Source: Dept. of Employment

Practical man

Most valuable of all is the demonstration, starting in Paragraph 43, that inadequate investment is the least of the weaknesses of the British industry. Gross fixed assets are perfectly normal as a percentage of sales by European standards in Ford and Vauxhall. The weakness in "asset base" is largely concentrated in Chrysler and British Leyland. Even in the latter case the deficiency is largely in commercial vehicles.

Only 5 per cent. of the difference in man hours involved in manufacturing the Leyland Marina and Ford Cortina is attributed to a difference in capital equipment. Not the least of the fallacies in the supposed "industrial strategy" was the emphasis it gave to new investment—a typical example of getting cart and horse the wrong way round.

Where my suspicions begin is with the CPRS projections of both international demand for cars and British output in 1985 on which much of the analysis is based. New car registrations in Europe dipped from just under 10m. in 1973 to 8m. in 1974. Estimated registrations for 1985 range from 10.5m. to 14.7m. Within this area the CPRS puts its money on a "range" of 11.3m.-12.6m. Unfortunately, "puts its money" is a slip of the typewriter. For if the CPRS members really did put their money on their forecast I would take it more seriously. As it is, I would myself take a bet within my means that car sales will be either higher or lower.

The uncertainties are, of course, multiplied in any attempt to estimate the U.K.'s own car production. The range given is from "a severely reduced industry" producing 700,000 units a year to "a high volume industry" producing 1.9m. units. We also learn in the text that, on a combination of highly favourable assumptions, output could be 2.1m. Even someone like myself, who would not know one end of a car from another, could produce a range as likely to be accurate as that one.

The CPRS does not make a rigorous analysis of the implications of low output per man and frequent stoppages in car assembly, as it could have done without too much crystal-gazing. It is not the job of economists or economic commentators to exhort workers to work harder. I would hate to work in a car assembly plant; and so, I imagine, would most of my readers.

What can be legitimately pointed out is that, if British workers have a greater aversion to assembly line routine than workers in other countries, the going rate of real earnings at which motor concerns can pay their way without subsidy is also very much less. If at these wages workers could not be attracted—or if unions would prevent them applying—then the U.K. (or South East England if that is our unit of decision making) would be better off right out of the same better off right out of the mass car market.

The key mistake of the CPRS comes when it moves from analysis and projection to urge the Government to commit itself to "a substantial volume," competitive and unsubsidised car industry in the 1980s. This is to repeat the common mistake of the Fabian-Benthamite planners, which regard Governments as benevolent and omniscient dictatorships and ignore the actual pressures which—as we have seen day by day, and leak by leak, in the case of Chrysler—affect political decisions.

If there really were a prospect of a substantial internationally competitive car industry in the 1980s, it would not need a Government plan to secure the funds. The example of North Sea oil has shown that very large sums of international private finance are available, even in the face of politically generated uncertainties, if the commercial prospect is right.

The table in this article shows that the unemployment problem is not at all as popularly presented, and that, even in this year's recession, about 350,000 people a month have been finding new work. The recession has arisen because just over 400,000 have been joining the unemployment register. (This statement is not a tautology, as the same unemployment total would have a very different meaning if, say, 60,000 people a month were joining the register and there were no new jobs to be found.) A similar picture is shown with the vacancies side, although only a small proportion of them appear on the register.

Once the unemployment trend is reversed—and I am glad that Mr. Healey stood there and did almost nothing except leave nature to its course—the jobless problem becomes one of reducing the search period between jobs and of helping people with obsolete skills or with domestic attachments to declining districts. It is not a matter of "creating jobs," which on a long run view means forcing people to buy goods they do not want to keep particular capitalists in existence. There are far better things that a Government which claims to care about the poor and unfortunate could do with its tax revenues.

Abysmal

Most unfortunate of all was the five-point summary which took at its face value the threat of a fall of 275,000 in motor industry employment by 1985 and a £1bn. deterioration in the balance of payments on account of cars. The more detailed text did recognise that neither employment nor exports were fixed for ever on an industry basis, and that jobs disappearing in cars could well be replaced by others in alternative export or import-competing industries. But the summary presentation has reinforced the abysmal style of popular debate in which particular jobs and exports are seen as ends in themselves.

Letters to the Editor

Prevent the energy gap

...om the Executive Director, ...ends of the Earth.

...ir,—Mr. Fishlock's headline ...ottrell wants go ahead on fast ...eder reactor" (December 15) ...ght have read "U.K. nuclear ...gramme impossible," and ...n just as accurate a summary ... Sir Alan Cottrell's letter. The ...e for reconsideration of the ...ole question of nuclear power ... Britain has rarely been put ...succinctly.

...ur experience with the ...vanced gas-cooled reactor may ...ll suggest that it is necessary ... spend £1bn. to see if the fast ...eder works at all, let alone ...ely. But we can be sure ...hout any further research ... the deployment of the ...tonium-fuelled FBR will both ...illiate the proliferation of ...lear weapons and increase ...matically the opportunities ... terrorist action. The counter ...asures against such risks may ...may not prove effective, but ... a major price of the ...utonium economy" is to be ... erosion of civil liberties we ... well wish to find an alterna... solution to our energy ...blems.

...n this context, Sir Alan ...rrell's assertion that "benign" ...rgy sources can only contri... "a minute part of our ...ds" must be challenged. This ...rtion is based chiefly on the ...umption that recent patterns ...demand will not, or cannot, ...changed; an assumption with ...ch the Select Committee on ...nce and Technology dis...eed in its report on Energy ...servation. Not only did this ...ort recommend the Govern...t to look to "investment in ...rgy conservation measures." ... it went on to list a con...rable number of realistic ...ons for doing so. Perhaps ... most telling observation in ... report was that of Sir Ieuan ...ddock, Chief Scientist at the ...artment of Industry, who ...ted out that a "modest" ...rgy conservation programme ...ld have saved more energy ... the U.K. than 25 years of ...lear power has produced.

...he next stage of the British ...lear programme will cost ...bn. On the basis of estimates ...ared by the Building Re...ch Establishment, this would ... for the insulation of our ... houses and save twice as ...h energy as the stations will ...luce with the added advan... of providing a large ...ber of semi-skilled jobs in ... places where people already ...

...rhaps the best way to fill ... energy "gap" might be to ...ent it opening in the first ...e.

... Burke.
...oland Street, W.1.

...ocial ...rends

...m Prof. F. Brockington.

...r,—Joe Rogaly has called ...ntion (December 11) to class ...rences as outlined in "Social ...nds." He begins by quoting ...r Helmut Schmidt's remark ...ut what he called our ...mned class-ridden society," ...plying that social trends in ...ard to possessions, long stand... illness, male mortality, ...ong other characteristics of ...ial class (as defined by the ...istrar General) are present in ... society to a greater extent ...n in other parts of Europe. ...is unlikely that we are any ...erent in such characteristics. ...at we do have is an excellent ...istical machine which makes ...possible to examine the ...nomena in the United Kingdom more accurately than elsewhere.

Mr. Rogaly also seems to imply that social class differences are synonymous with class prejudice; and that if we were able in some way to eliminate inequalities in possessions, and in social class differences in mortality and illness, we would thereby cease to be "class ridden," accepting Herr Schmidt's remark at its face value. This also seems to be a very doubtful proposition.

It would also be interesting to know what evidence in fact does exist that there are differences in "class prejudice" in different parts of Europe and particularly between ourselves and West Germany.

Fraser Brockington.
44, Silverburn, Ballasalla, Isle of Man.

Even the bees have classes

From Mr. G. Wheatley.

Sir,—I agree with Mr. Joe Rogaly (December 11) that some people are overpaid and some underpaid, and between the two the gap is much too wide, but I think his pseudo-scientific approach (graphs, statistics, *et al*) to the problems inherent in social inequality has about as much relation to reality as Oscar Wilde's "The Soul of Man under Socialism."

He seems to approve of Herr Schmidt's remark that "as long as you maintain the damned class-ridden society of yours you will never get out of your mess." It occurs to me that we are in our mess because we have failed to *maintain* our "damned class-ridden society." Herr Schmidt is not well up in British history; but Mr. Rogaly ought to be. Incidentally there is a German proverb which is of interest in this context: "The only real equality is in the cemetery." When I was living in Hamburg I saw no indication there that German society was any different from our own. People at different financial, professional, and intellectual levels tended to form coteries, and this is quite natural, and inevitable in *any* society—even the bees are not without a class system.

Perhaps the answer to Mr. Rogaly's problem of "blasting away the class barriers" would be to make us all lawyers—or labourers; but since we are not a primitive people suddenly emerging into the technological present and starting from scratch, as it were, I see no reason why we should be put through the hoop just because the Mongolian People's Autonomous Republic has emerged into the modern age. One swallow does not make a summer, nor does one snob (or inverted snob) make a "damned class-ridden society."

I certainly agree that there ought to be a more sympathetic understanding and friendliness between the different groups (or "classes" if you like), and that there should be concern for the improvident and unfortunate members of society, but that is another problem. While appreciating Mr. Rogaly's good intentions, I cannot help feeling that he has got hold of the wrong end of the stick.

George A. Wheatley.
Polreon, Tregoodwell, Camelford, Cornwall.

A source of inequality

From Mr. P. Kaufman.

Sir,—I would like to take up two points which Mr. Joe Rogaly makes in his article headed "The myths of inequality—and of equality" (December 11).

I find it difficult to understand why Mr. Rogaly thinks that differentials in incomes in Britain "may be too wide." In fact, due to almost confiscatory taxation on higher incomes which make any increase in salary levels above approximately £20,000 p.a. virtually meaningless, coupled with the huge increases in wages during the past two/three years, differentials in net income in Britain are far narrower than in most other leading industrial countries.

Mr. Rogaly asserts that "it is impossible to change society by altering the system of schooling." I feel that this statement is open to strong challenge. In the Scandinavian countries and others, such as Holland, Germany, Austria and Switzerland—where class distinctions are almost unknown, although differentials in income are wider than here—education is provided, basically and mainly, by the State. Variations in attainments, therefore, only arise as a result of differences in ability. In other words, every child has the same educational opportunity which Mr. Rogaly says should be "an essential object of policy."

Unfortunately, this is not the case in this country, which is the only one in Western Europe where an important sector of the middle class persists—in many instances to the extent of almost pauperising itself—in sending its offspring to the so-called "public" and other private schools. These establishments inculcate a class-based snobbish outlook and, equally divisive, a particular type of accent.

If, as per the last paragraph of his article, Mr. Rogaly really wants to achieve a "blasting-away" of class barriers, he should concentrate his attack on the basic factor, where it all begins, that is, two separate systems of schooling.

P. Kaufman.
Pontresina, Park View Road, Woldingham, Surrey.

Differences in taste

From Mr. W. Bailey.

Sir,—Mr. Rogaly's article on social equality (December 11) lacks the incisive analysis one is accustomed to find in the FT. The statistics demonstrate the existence of inequalities. His opinion — that inequality is a fault in society to be eradicated by socialist policies—is only opinion, not a justified conclusion.

Has Mr. Rogaly considered the extent to which inequality is self-inflicted? If class five marries and has more children at an earlier age; drinks, smokes and gambles more, is it any wonder class five is poorer and less healthy? Must class one be pilloried for having different spending tastes and more material possessions?

I suggest that occupation is only a symptom of class. The true identifier is personal attitude towards short versus long term gain, the ability to distinguish between income and capital (or in mathematical parlance, different personal discount rates). Well-paid professional occupation after years of poorly paid training is a result of a class one man's low discount rate.

Mr. Rogaly himself points out that inequalities are little changed after a century—despite 50 years of socialist measures. To prescribe further bleeding to a patient whose symptoms are no better after 50 years of treatment, and whose general condition has been enfeebled, is lunacy. Inequality stems from differences in taste. The world comprises talkers and doers, spenders and savers, workers and spongers, and I fail to see why the industrious should be heavily taxed as a result.

Equality is unattainable, and only desirable if we can all agree on the same tastes. What we need is equality of opportunity—a very different thing.

W. H. Bailey.
3, Meridian Road, Bristol.

Carry on drinking

From Dr. D. L. Davies, Medical Director, Alcohol Education Centre.

Sir,—Dr. Beric Wright (December 10) accepts that there is a condition of alcohol dependency, but is so fearful of a "witch hunt" that he urges that it be ignored. So successfully have the "doctors and sociologists" so admonished disregarded that advice in recent years that we have learned a great deal about factors in everyday life which determine the progression from harmless to harmful drinking in a small proportion of the population (which nevertheless amounts to a great many people).

If industry here were to follow the pattern of its American counterpart and apply this knowledge, its burden of alcoholism could be lightened, wastage reduced, and efficiency improved. In so doing, those of us who enjoy "life's little dependencies" could continue our harmless drinking until the end of our natural term, with more real assurances of so doing than we have now.

D. L. Davies.
The Maudsley Hospital, 99, Denmark Hill, S.E.5.

Standing orders

From The Secretary, Order of the Road.

Sir,—The inefficiency of some bank staffs, coupled with computerisation, creates hours of unnecessary work and strain in subscription departments of organisations dealing with "standing order" payments made by the banks on behalf of individual customers.

We are increasingly being called upon to deal with: payments for wrong amounts; payments made in duplicate—even triplicate (failure to cancel an existing order when an amending order has been lodged); payments made in error—in spite of cancelled instructions by the customer; and omission to make payments when due.

Where a bank is clearly at fault and involves the organisation concerned in time, trouble and expense in rectifying the mistake, the bank should surely bear the cost thereof. There was a time when these occurrences were comparatively rare. To-day they are of such a volume that modest-sized organisations cannot afford the wasted labour and expense involved in this negative work.

Recently a bank making a payment against the cancelled instructions of its customer later realised its mistake and called for a refund. The manager, however, expressed considerable indignation when the refund was made *less* a nominal amount deducted as a contribution towards the other side's costs.

The probability is that if this procedure (deduction of expenses from refunds) were to be followed by all afflicted bodies, the banks might be encouraged to straighten out their organisation for standing order payments.

H. J. Morgan.
47, Curzon Street, W.1.

To-day's Events

GENERAL

European Parliament votes in Strasbourg on proposal partially to restore cuts in EEC's 1976 Budget made recently by Council of Ministers.

EEC Council of Ministers (Social Affairs) meets, Brussels.

Hospital consultants meet to discuss Government proposals on private practice.

Iron and Steel Trades Confederation executive meets to consider BCS's plans for saving labour costs.

Japan Automobile Manufacturers' Association begins talks in London with Society of Motor Manufacturers and Traders on automobile industry in both countries.

Law Commission annual report published.

PARLIAMENTARY

House of Commons: Proceedings on Consolidated Fund Bill.

House of Lords: Damages (Scotland) Bill, second reading. Divorce (Scotland) Bill, second reading. Fair Employment (Northern Ireland) Bill, committee. Northern Ireland (Loans) Bill, third reading.

OFFICIAL STATISTICS

Finished steel consumption and stock changes (third quarter—final).

Car and commercial vehicle production (November—final).

COMPANY RESULTS

Baker Perkins Holdings (half-year).
S. and W. Berisford (full-year).
H. P. Bulmer (half-year).
Cavenham (half-year).
Charterhouse Group (full-year).
Distillers (half-year).
Dobson Park Industries (full-year).
Matthew Hall (half-year).
MEPC (full-year).
Rothmans International (half-year).
Stenhouse Holdings (full-year).

COMPANY MEETINGS

Arenson (A.), Abercorn Rooms, E.C., 12.
Belgrave Assets, 2, Serjeants' Inn, E.C., 11.
Cope Allman International, Dorchester Hotel, W., 11.
Courtney Pope, Aylesbury, 11.
Gilgate, Europa Hotel, W., 12.
Judge International, Brierley Hill, 11.45.
London and Montrose Investment Trust, Bucklersbury House, E.C., 3.15.
Long and Hambly, Winchester House, E.C., 11.
Newman Grancer Industries, Nottingham, 12.
Palmerston Investment Trust, Winchester House, E.C., 12.
Scottish Cities Investment Trust, Winchester House, E.C., 12.
Scottish National Trust, Glasgow,

COMPANY NEWS + COMMENT

Record £7.2m. turned in by Westland

THE YEAR to September 30, 1975, at Westland Aircraft resulted in a pre-tax profit advance from £6.59m. to a peak £7.2m. and earnings per 25p share rose from 6.34p to 6.96p.

As forecast at midway the final dividend is 1.62435p net making a total of 2.59135p (2.3743p).

	1974-75 £000	1973-74 £000
Trading surplus	8,264	7,146
Helicopters	3,796	3,394
Hovercraft	2,143	1,785
Environmental contrl etc.	1,915	1,303
Doors	131	392
Other products	279	251
Associated loss	19	*45
Interest charges	1,041	599
Profit before tax	7,204	6,592
Tax	3,641	3,543
Net profit	3,563	3,049
Minority profits	268	160
Attributable	3,295	2,889
Dividends	1,404	1,083
To unappropriated	1,891	1,806

* Profit.

Considerable efforts continue to be made to improve the profitability of the helicopter activities and profit for the current year will show an increase.

● comment

Westland is 9 per cent. ahead pre-tax, and expecting further profits growth in the current year. Last year's upturn was spread fairly evenly across the three main divisions: turnover rose roughly a third with the export ratio up from 42½ per cent. to 51 per cent. The shares edged 2p higher to 60p yesterday against earnings on average capital of just under 7p. The yield is 6.8 per cent. And July's rights issue has further reinforced Westland's balance sheet strength.

HIGHLIGHTS

Trafalgar House has announced a rights issue on the basis of one-for-four at 85p to raise about £25½m., as a means of increasing its equity base, while its preliminary statement reveals a strong profits trend. BOC's profits are ahead of forecast thanks to strength in the U.K. and in particular Airco in the U.S. Completing the Lex column is Unigate where first-half profits are higher reflecting some growth in milk sales. CompAir is ahead of most expectations thanks to buoyant sales overseas while Johnson-Richard (H & R) Tiles has maintained the recovery trend noticeable in the second half of last year. At Westland profits are some 9 per cent. higher and further growth is expected this year and since there was a predicted profits decline at Lindustries the shares managed a 4p rise despite a 40 per cent. drop in pre-tax profits.

Margins fall at Weston Evans

ON SALES over £1m. higher at £4.99m., profits of Weston-Evans Group showed a marginal decline from £445,000 to £435,000 in the half-year ended September 30, 1975, and stated earnings per share are down from 4.225p to 3.881p.

While turnover has risen appreciably in the U.K., largely as a result of the completion of two large contracts, sales in the U.S. have been depressed. In both instances, margins have been under pressure, but in current trading conditions the results are considered most satisfactory, the directors state.

In view of the present economic situation in the U.K., which is offset to some extent by slightly improved trading conditions in the U.S., they find it difficult to forecast the year's results.

As a prudent measure the interim dividend is held at 0.80275p net—the total for 1974-75 was 2.28155p paid from profits of £857,000.

	Half-year 1975 £000	1974 £000
Sales	4,989	3,981
Profit before tax	435	445
Taxation	226	218
Net profit	209	227

The directors propose to change the Articles so as to increase the maximum permitted number of directors from 8 to 12.

The group's business is that of manufacturers of machinery for paper-making, textile finishing and laundry, also mechanical handling equipment.

CompAir earns and pays more

MANUFACTURERS of air compressors, pneumatic tools, etc., Compair reports an increase in pre-tax profits from £6.12m. to £7.3m. for the year to September 28, 1975. At half way the rise was from £2.36m. to £3.1m.

Earnings per 25p share, for the year, advanced from 7.61p to 8.41p and the dividend is lifted from 2.75p to 3.1p with a final payment of 2.1p net.

At the time of the rights issue in July the directors said they expected to pay a final of 1.93p on the increased capital.

TURTLE

	1974-75 £	1973-74 £
Sales	85,857,125	66,713,000
Depreciation	1,741,165	1,445,437
Interest paid	2,382,678	1,722,197
Pre-tax profit	7,297,799	6,128,013
Tax	3,614,481	3,080,748
Minorities	371,532	178,259
Extraordinary debit	104,378	*104,389
Retained	1,860,409	1,931,402

* Credit.

● comment

CompAir is comfortably ahead of most external estimates with a 19 per cent. pre-tax advance, and the shares rose 5½p yesterday to 71½p. With "some loss" of volume in the U.K., the key has been continuing buoyant sales overseas—particularly in the Middle East, Canada and South Africa—up by 39 per cent. (to over two-thirds of the total turnover) against an overall advance of 29 per cent. Although outstanding orders are down on 12 months ago, the group describes the start to the year as "moderately encouraging" with recent signs of a bottoming-up out in the U.K. Recovery may come first overseas, and the hope that CompAir could maintain profits this year should not disturb the current rating with a yield of 7.1 per cent. and a similar

Earnings rise at Electric and General

Gross income of Electric and General Investment slipped from £401,253 to £322,982 in the half year to November 30, 1975, but after lower interest charges and expenses of £178,938 against £263,808, and a tax charge of £54,069 compared with £53,878, net earnings show a rise from £82,693 to £89,975.

First half earnings are shown to be up from 0.6p to 0.63p per 25p share. The interim dividend is held at 0.45p net costing £64,206 (£62,920)—last year's total was 1p paid from net earnings of £139,440.

Net assets per share are shown at 78.5p against 80.4p at May 31, 1975, including the full investment currency premium of 17.3p (24.4p).

Investments in the U.K. now account for 51.26 per cent. of the total (39.34 per cent. at May 31).

Edbro to top peak £1.81m.

TAXABLE profit of, engineers, Edbro (Holdings) expanded from £874,000 to £961,000 in the six months to September 30, 1975 and chairman Mr. L. V. D. Tindale says that the full year will show an improvement over last year's record £1.81m.

Half yearly earnings per 25p share are up from 5.99p to 6.31p and the interim dividend is raised from 1.5p to 1.65p net absorbing £116,325 (£105,730) — 1974-75 dividend total was 4.6698p.

*Cover redundancy payments and payments in lieu of notice amounting to £77,000, less corporation tax of £40,000.

Mr. Tindale tells members that a good September and the completion of a major order for the Middle East resulted in the profit rise, even after debiting the full contribution for redundancy payments. Five day working was re-introduced at the end of September in the main factory, and this should be maintained through the remainder of the year.

The body section was put on short time working at about the same date as the main plant was restored to full activity. Full time working has now been restored but to maintain this for the rest of the year some contract work will be required.

The group's distribution company in Europe picked up towards the end of the six months after a slow start and the current situation there is buoyant.

● comment

Edbro's better than expected second quarter has left first-half pre-tax profits nearly a tenth ahead. The strength has come from exports which have risen to over one-half of sales, compared with 36 per cent. in 1974-75. Manufacturing and order rates in hydraulics have now come back into equilibrium: but while the U.K. market is flat (commercial vehicle production fell by 12 per cent. in the second and third quarters of 1975 against a 20 per cent. rise in the first). European demand is beginning to look up and N. America is doing well. The main problem area, in demand terms, is contract body work. Overall, pre-tax profits could emerge at some £2m. this year for a prospective p/e of 5.3 at 74p. A maximum yield of 11 per cent. adds further support to the share price.

Upsurge at Johnson Richards

GROUP EXTERNAL sales of H. and R. Johnson-Richards Tiles advanced from £17.22m. to £19.1m. in the six months to September 30, 1975 and pre-tax profits jumped by 90 per cent. from £1.25m. to £2.39m.

Earnings are shown to be up from 11.5p to 21.2p per 50p share, and the interim dividend is lifted from 2.205p to 2.353p net costing £128,444.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Group external sales	19,096	17,219	35,998
Trading profit	3,550	1,985	4,516
Depreciation	881	803	1,790
Bank and loan int.	315	151	508
Share associates	39	243	406
Profit before tax	2,392	1,257	2,924
Tax	1,103	604	1,614
Net profit	1,289	647	1,310
Minorities	128	20	*30
Extraord. credit	—	—	88
Attributable	1,161	623	1,428

* Loss.

The directors say that the increase reflects a better than expected U.K. performance and a substantial improvement in South Africa. Demand having remained steady (except in the U.S., where sales have been disappointing), the overall improvement is mainly attributable to tight control of revenue and capital spending, lower production losses and a better sales mix.

In the light of the liquid position, a higher rate of capital spending is visualised for 1976: but this will be directed primarily to reducing the impact of higher fuel and materials costs. Until the long-promised upturn in world trade occurs, prospects for the future "will remain clouded."

● comment

Johnson-Richards' first half profits have continued the recovery trend which began in the second half of last year with a pre-tax rise of more than 90 per cent. on a 10 per cent. increase in sales and the shares rose 20p yesterday to 217p. Loss elimination in South Africa has played a major prt in this improvement but it also reflects the group's recent efforts to increase its U.K. market share by developing its decorative tile production. The group has also reaped the benefits of tighter cost control in its U.K. operation and since in January it will be imposing its first general price increase for 11 months, the chances of a further overall improvement in profit margins look very good. For the full year the group looks capable of achieving a pre-tax total of around £5m. and despite a slim maximum yield of just 4.2 per cent. the shares which are on a prospective p/e of 5.4 are attractively priced.

G.R. (Holdings) well placed

Chairman of GR (Holdings), Mr. A. S. Stalbow says in his annual statement that the liquid reserves of the group are strong and it is well placed to take advantage of any favourable investment opportunities.

Pre-tax profits for the year to June 30, 1975, reported November 11, rose from £1.19m. to £1.35m. The dividend is 15.5p (14.7735p) net.

The chairman points out that taking into account the seasonal nature of certain sections of the group, the profits in the second half were, in relative terms, better than normal. This was helped by higher receipts of interest due to a build-up of cash balances. In addition the Australian subsidiary produced better second-half results following the concentration of production into a smaller area and letting the surplus thereby made available.

The sheepskin tannery produced better results and the retail section of the group also traded satisfactorily, although recently retail sales have shown signs of weakness. The U.K. fur and skin processing activities yielded lower profits. Grayshott Hall maintained its popularity and achieved similar results to the previous year.

A sharp increase in wages and overheads has made it more difficult for the group's factory products to be exported, but the merchanting sections were able to increase their sales to countries overseas and total group exports amounted to over £4.18m.

The balance sheet shows that bank balances were over £1.1m. at June 30, 1975, reflecting the cautious view taken by the Board of general economic prospects.

Meeting Chartered Accountants' Hall, E.C., on December 19 at noon.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Batleys of Yorkshire	int.	0.8	Feb. 20	0.7	—	2.72
Bluemel Brothers		1.81	April 2	1.75	3.04	2.5
BOC International		1.51	April 2	1.4	2.42	2.22
Braithwaite	int.	2.89	Jan. 2	2.23	—	6.37
Compair		2.1†	Feb. 27	1.75	3.1	2.75
Dubilier		0.4	—	0.43	0.8	1.14(a)
Edbro	int.	1.65	Jan. 20	1.5	—	4.67
Philip Harris	int.	1.3	Jan. 29	1.2	—	3.2
Jacksons Bourne End	int.	1.05	—	1.05	—	2.85
Johnson-Richards	int.	2.35	April 2	2.21	—	5.32
Lindustries	sec. int.	2	April 1	—	—	3.76
London & L'pool. Tst.	int.	0.13	—	0.13	—	0.6(d)
Normand Electrical	int.	0.87	Jan. 29	0.79	—(c)	2.13
Redman Heenan Intl.		1	April 1	Nil	1	Nil
Routledge & K. Paul	int.	1	March 19	1	—	3.1
Stewart Plastics	int.	2.51	—	2.35	—	2.35
Trafalgar House		2.1†	March 24	1.34	3.46	2.52
Unigate	int.	1.1(b)	April 1	1.0	—	2.55
Vectis Stone		0.75	Feb. 20	0.68	1.21	1.13
Westland Aircraft		1.62	—	1.49	2.59	2.37
Weston-Evans	int.	0.82	Feb. 7	0.82	—	2.28

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 18 months. (b) To reduce disparity with final. (c) Final 2.3222p forecast. (d) Including bonus 0.338p.

Redman Heenan pays 1p

TURNOVER, for the year to September 30, 1975, of engineers, Redman Heenan International, rose from £22.09m. to £23.76m. and pre-tax profits advanced by 61 per cent. from £626,000 to a record £1,008,000 after £231,000, against £175,000, for the first half.

Full year earnings are shown to be up from 4.1p to 6.1p per 10p share and the group is returning to the dividend list with a payment of 1p net absorbing £149,000. The last payment was equal to 1p gross for 1969-70.

	1974-75 £000	1973-74 £000
Turnover	23,757	22,085
Trading profit	1,335	1,056
Interest	327	430
Profit before tax	1,008	626
Tax	92	8
Net profit	916	618
Extraordinary credit	25	*114
Attributable	941	504
Preference dividends	12	41
Ordinary	149	Nil
Retained	780	463

* Debit.

This "further marked improvement" was made possible by the size of the order book at the beginning of the year and the development of new business from overseas markets, the directors state.

With the group representing a wide range of engineering interests some companies are well placed to take advantage of future demand. Most companies have recently experienced an improvement in the level of inquiries received but as yet these have not in general been converted into firm ordrs, members are told.

Arrears and current dividends on the Preference shares were paid on October 1. Assets per share are up from 30.1p to 35.2p and the debt equity ratio is down from 75 per cent. to 56 per cent.

A new subsidiary called the Redman Fisher Group has been formed which will have management responsibility for all companies within the Redman Fisher operation.

These operating companies comprise Heenan Coolers, Redman Broughton, Redman Engineering (Swindon), Redman Fisher Engineering, Redman Fisher (Ireland) and the Morton Machine Company.

● comment

Redman Heenan's trading profits are 45 per cent. higher on an increase of over a third in margins to 6.5 per cent. After a 22 per cent. rise in interest charges, pre-tax profits emerge 61 per cent. better and this, together with a return to dividend payments, pushed the shares up 3p last night to 19p, compared with a low this year of 6p. The trend of interest payments belies a fall of around £½m. in borrowings to 56 per cent. of shareholders funds. Although based on a good second half cash flow, this improvement in liquidity may also partly reflect a slowing in new business intake, for order books are down from last year's level of £20m. Fielding and Platt lost money overall and with the exception of energy-related markets, the demand picture has been patchy. Ahead of a fuller appraisal of prospects the rating seems suitably cautious, with a fully taxed p/e of 5½ and a yield of 8.6 per cent.

John Booth headway

engineers John Booth and Sons (Bolton) reports a taxable profit increase from £51,595 to £98,256 for the half year to September 30, 1975, on turnover up from £2.35m. to £2.88m. Profit for the last full year totalled £141,983.

Tax for the six months takes £52,515 compared with £26,830 and minority profits are £3,695 (£2,477). The amount of £42,046 (£22,288) is retained.

Lesbrook deficit

From turnover for the half year to October 3, 1975 of £301,483 against £492,187, manufacturers of pressings and assemblies, Lesbrook incurred a loss after all charges of £165,290 compared with £32,023 for the corresponding period and £58,650 for the last full year.

Capital receipts of leasehold interest were £5,250 (nil).

Dubilier expands to £0.5m.

ELECTRIC AND electronic component manufacturer Dubilier has turned in profits of £515,006 for the year ended September 28, 1975, compared with £413,000 in the previous 18 months. In the final six months profits were £242,000 (£154,000).

Earnings are again 1.3p per 5p share. The final dividend is 0.40428p to make 0.80428p, against 1.1455p for the previous period.

	Year 1974-75 £000	18 mths. 1973-74 £000
Sales	3,650	5,282
Profit before tax	515	413
Taxation	207	118
Extra-ord. credits	4	—
Available	312	300

Sterling Industries Expansion

Turnover of Sterling Industries expanded from £1.22m. to £1.99m. in the six months to September 30, 1975 and trading profit (excluding Crewkerne Investments) jumped from £126,000 to £231,000 before tax of £120,000 compared with £66,000.

The share of Crewkerne's profit was £38,000 (£61,000) after tax of £32,000 (£30,000) giving a net total of £169,000 (£121,000). Preference dividends take £9,000 (£10,000) including arrears, leaving £160,000 (£111,000). Earnings are shown to be up from 0.555p to 0.8p per 2½p share.

While it is too early to predict the outcome of trading for the full year present indications are that the trading profit (which is dependent on the intake of orders and actual despatches achieved during the remainder of the year) will show an increase of some 50 per cent. over the comparable 1974-75 figure of £261,000, which excludes an amount of £21,000 arising from profit on sale of plant.

The proportion of the profit of Crewkerne Investments for the year ending March 31, 1976 is estimated to amount to £154,000 before taxation of £54,000. The income of Crewkerne Investments does not accrue evenly throughout the year.

In accordance with a recent High Court decision, the Preference dividend for the half year to September 30, 1975 took account of an imputed tax credit of 35 per cent. Preference dividend arrears at September 30, 1975 amounted to £60,943. In terms of the Articles of Association, subject to the payment of the normal Preference dividend and in accordance with the High Court decision, such arrears are to be paid off at the rate of £5,688 per annum assuming imputed tax at 35 per cent.

The provision for dividend at the half year includes one half of the prospective payment of arrears for the year to March 31, 1976.

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Mid-term upsurge at Batleys

For the half year ended October 25, 1975, Batleys of Yorkshire reports pre-tax profits £104,483 ahead at £195,083 on turnover up from £9.71m. to £12.78m.

Earnings per 10p share are shown to have risen from 1.2p to 2.57p and the interim dividend—waived on 1.29m. shares — is stepped up from 0.7p to 0.8p net. Last year's total dividend was 2.7167p from profits of £291,277.

After tax for the half-year of £100,975 (£47,324) the net balance comes through £50,832 higher at £94,108.

The company's interests are in cash-and-carry warehousing.

Best ever £47.4m. from BOC

COMPARED with the forecast in June of at least £43m., pre-tax profit of BOC International, the industrial gases and engineering group, improved from £34.37m. to a record £47.41m. in the year to September 30, 1975. Sales rose from £403.42m. to £490.9m. The profit includes £13.38m. from the interest in Airco against £6.28m. for the nine months from acquisition. After nine months, pre-tax profit had been up from £23.72m. to £34.46m.

Adjusted for the one-for-four rights issue in July, earnings per 25p share are shown to have risen from 6.39p to 8.29p. As forecast, the final dividend is lifted from 1.4p to 1.508p per 25p share, stepping up the net total from 2.216025p to 2.418p on higher capital.

	1974-75 £'000	1973-74 £'000
Group sales	490,902	403,424
Operating costs	414,673	335,335
Depreciation	22,035	19,604
Share of associates†	15,119	7,779
Group trading profit	69,283	53,170
Europe	28,382	21,788
Africa	9,454	8,743
America	16,046	9,302
Asia	2,888	2,226
Pacific	14,215	11,113
Interest	21,872	18,809
Profit before tax	47,411	34,365
Tax	24,981	17,444
Minorities	3,592	2,684
Extraord. profit	272	*906
Available	18,810	12,621
Pref. dividends	86	56
Interim Ordinary	1,565	1,061
Proposed final	3,869	2,865
Retained	12,991	8,619

† Includes £13.38m. from Airco Inc. (£8,276,000 representing the nine months' profit from date of acquisition of the BOC interest.) * Losses.

Regarding the AD International situation, BOC has considered the U.S. Dentsply group's 116p per share offer for ADI but has deferred a final decision pending receipt of the formal document. It is thought likely that BOC may accept the offer in respect of its 17.6 per cent. holding in ADI.

See Lex

Normand tops £0.5m. at midway

AFTER interest of £38,000 against £42,000, profits of Normand Electrical Holdings rose sharply from £364,000 to £540,000 in the 28 weeks to September 13, subject to tax of £282,000 compared with £194,000.

However, order books are giving cause for concern and reflect the present state of the economy say the directors. Profits therefore for the remaining weeks of the year will not match the £427,000 achieved in the similar period last year.

A determined export drive is being maintained and companies in the group have the ability to improve upon their record when the present recession ends, members are told.

Earnings are shown to be up from 2.8p to 4.2p per 20p share and the interim dividend is lifted from 0.7875p to 0.8663p net, costing £62,370 (£44,100).

As forecast at the time of the two-for-seven rights issue in July, the total payment for the year will be the maximum permitted 2.3222p.

In October the acquisition of Electro-Power Gears was announced. Full details are being despatched to holders

ISSUE NEWS

Lake & Elliot rights

Lake and Elliot proposes to raise £1.5m. by a rights issue of one-for-two ordinary 25p shares at 50p each. The shares eased 1p in the market yesterday to 66½p.

The company continues to trade within its bank facilities and the position has been strengthened by the sale of surplus land. However, the directors feel a broader working capital base is essential to support the group's continued success. On November 28 the group had outstanding borrowings totalling £2.17m. of which £182,392 was secured.

For the first four months of the current year sales show an increase of 32 per cent. and the outlook for the year to July 31 1976 is considered to be encouraging.

It is intended to declare an interim dividend of 1.43p on existing shares and a final dividend on the increased capital of 2.0085p to make a total of 3.4385p equivalent to 5.29p (4.81345p) gross per share.

HUNTING RIGHTS

The rights issue by Hunting Associated Industries of 1,320,800 new Ordinary 25p shares at 53p per share has been accepted as to 1,294,011 (97.97 per cent.). The balance has been sold at a premium above the issue price and the proceeds will be distributed pro rata to holders entitled thereto, except that no payment will be made on any amount less than £1.

WATSON AND PHILIP—98%

Watson and Philip's one-for-... rights issue at 20p per share attracted acceptances of 98.... per cent. The balance of 46,433 shares has been sold at a premium of 44.12p per share for the benefit of entitled holders.

TERN CONSULATE

Tern Consulate has arranged a new long term loan facility with Industrial and Commercial Finance Corporation for £20... repayable by ten fixed annual instalments starting on December 31, 1977. Interest of 17 per cent. will be charged on the outstanding balance. The company has the option to repay all, but not part, of the outstanding facility at any time after December 31, 1980.

ICFC will have the option to subscribe at par for 160,000 Ordinary shares and subscription moneys will be applied in part payment of the loan.

Haw Par claims $5m. professional fees

Haw Par Bros. Intntl. has filed a claim for about $S5m. against Slater Walker Securities (Singapore), a subsidiary of Slater Walker Securities.

Haw Par executives say the claim was made in relation to professional fees paid by Haw Par to Slater Walker (Singapore), which is currently undergoing liquidation.

According to recent disclosures by the Singapore Stock Exchange, Haw Par paid Slater Walker (Singapore) for advice given over the acquisition of Slater Walker Securities (Hong Kong) in 1973-74 at a time when Haw Par managing director Mr. Donald Ogilvie Watson and deputy managing Mr. Ian Tamblyn were undisclosed employees of Slater Walker.

Mr. James Goldsmith, chairman of SWS, confirms that the claim by Haw Par against Slater Walker (Singapore) was one element in negotiations he is holding over repayment of the $U.S.29m. loan made by SWS to Haw Par last year.

Mr. Goldsmith says talks are progressing constructively and cordially, but declined to say whether he expected any conclusion before leaving for London, probably on Friday.

Vectis Stone improvement

A second-half upsurge from £73,758 to £170,440 at Vectis Stone resulted in pre-tax profits finishing the year to September 30, 1975, £71,418 ahead at £248,496.

Earnings per 10p share are given at 2.06p (1.5p) and the dividend is increased from 1.133p to 1.209p with a final of 0.754p net.

	1974-75 £	1973-74 £
Group sales*	3,989,881	4,912,136
Profit before tax	248,496	177,078
Taxation	142,000	100,300
Net profit	106,496	76,378
Dividends	62,536	56,200
Retained	43,960	20,178

* Include inter-company sales £362,604 (£398,492) and sale of petroleum products (including excise duty) £3,384,446 (£2,832,106).

MINING NEWS

Australia Utah makes $100m.

BY KENNETH MARSTON, MINING EDITOR

.USTRALIA'S Utah Development orporation has boosted its profit or the year ended October 31 to 100.9m. (£62.8m.) from $48.7m. the previous year. The Queens-and coal producer, which is 89.2 er cent.-owned by America's tah International and 10.8 per ent. by Utah Mining Australia, ius becomes only the second ustralian company to break the 100m. profits' barrier.

The first to do so was Broken ill Proprietary, Australia's big-est company, which earned 109.5m. in the year to May 31. ur Sydney correspondent points it that the UDC profits' leap was emmed from substantial price creases granted for its coal by panese steel mills.

Thanks to the new Saraji mine al shipments rose by 1m. tonnes 13.2m. tonnes. An element of certainty in the current year's itlook, however, is Japan's sire to reduce coking coal ports by some 10 to 15 per cent. line with the cutback in steel oduction there.

ig GE merger

Meanwhile, the Australian vernment is studying the plications of the proposed $1.9bn. merger of the parent ah International and General ectric. The Australian Minister r Minerals and Energy, Mr. ug Anthony, has said that the erger must not interfere with DC's duty to increase its local uity.

Penalties involving the dis-franchisement of UDC share-lders could be invoked if the erger went ahead in the U.S. t was found by the Australian vernment to be against its tional interest.

However, the merger could sten plans to increase the stralian equity in UDC, ecially as the company wants vernment approval for coal orts in order to open up the Norwich Park mine. As eady announced, Utah Mining stralia has lifted its 1974-75 idend to 30 cents from 12½ ts. The shares were 975p terday.

ROUND-UP

ecent interest Down-Under in shares of Australia's Hill 50 nsolidated (not to be confused h Hill 50 Gold) is believed eflect hopes regarding the com-y's interests in the Forrestania kel area of Western Australia. s comes via a 25 per cent. interest in a consortium which, in turn, has a 25 per cent. share of a joint venture with Amax in a nickel prospect at Mount Hollandia.

* * *

Minerals Engineering of the U.S. intends to sell its 50 per cent. interest in the Poison Basin uranium reserves in Wyoming to the other joint venturer, Germany's Urangesellschaft. Developed reserves are estimated at 1.2m. pounds of uranium oxide.

* * *

South Africa's veteran Durban Roodepoort Deep gold mine has cut the Kimberley reef in a first borehole on the farm Doornkop, adjacent to the mine's southern boundary. At a borehole depth of 841 metres, the core assayed a small 786 centimetre-grams per ton (181 inch-dwts). Three further holes are in progress.

New Canadian 'hot-spot'?

CANADIAN mining observers are becoming intrigued by the exploration activity taking place in the Nahanni district of the Northwest Territories which is shaping up into something of a "hot-spot." Excitement has been stirred by the news that Shell Canada's minerals department is exercising its option on the big Coates Lake lease of Redstone Resources.

This involves a firm commitment by Shell Canada to spend a minimum of $500,000 on exploration work next year and, to maintain the option, to spend a further $1m. by end-1978 for which the company will get a 45 per cent. interest in the prospect.

The talk is that Shell has been staking claims heavily in the area in recent months and that it has already obtained a high value copper drilling intersection. Also believed to be staking ground are Rio Algom and Conwest Exploration while Noranda and International Nickel have been reportedly showing interest.

Unusually for this area, the copper finds that have been made so far have been in sediments. Taking a line through similar occurrences in Africa, the optimists see possibilities of the presence of sizeable copper ore tonnages. But, necessarily, hope springs eternal in mining exploration and Nahanni remains very much in the "wait-and-see" class.

CMT margins still under pressure

Mr. Norman Hickman, chairman Central Manufacturing and ading Group, tells members at the factors that changed the mpo of performance in the ond half of 1974-75 have con-ued to operate in the early nths of the current year.

Continued de-stocking, the er level of steel stockholding ivity and the high level of ation are all factors continu-to exert pressure on margins. here are signs that the scale de-stocking has now worked l out and that business con-ice is returning. The recovery n it comes is expected e slow and is likely to be yed until the second half of year, states the chairman.

he company has adequate overdraft facilities. Corporate liquidity has now been eased by the stock appreciation tax relief; cost controls have been tightened, stock levels trimmed, and work flows reorganised. The capital programme has been maintained to ensure that the competitive future of the group so that when the upswing comes the group will be well placed to take advantage of cost savings arising from the improved capacity utilisation.

As reported group pre-tax profit fell from £3.63m. to £3.26m. in the year ended July 31, 1975. The dividend is raised from 2.031356p to 2.167791p net.

Over the past five years the group has spent more than £5m. on new capital investment. Steel stockholding and metal processing companies have carried out a systematic series of expansions, while nationwide expansions have also been carried out by CMT Industrial Supplies.

Meeting, Birmingham, January 16 at noon.

Chairman's statement Page 27

RECENT ISSUES

EQUITIES

Issue Price p.	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p.	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
[illegible]	F.P.	—	$12¾	$12¼	Brazil Fund S.A.	$12¾	+½	—	—	—	—
[illegible]	F.P.	7/11	380	260	Blandersd G'd Minfg 20c	275	−5	—	—	—	—
[illegible]	F.P.	—	£54	£29¾	Hughes Tool $1	£33¼	+⅝	Q40c	—	10.5	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
[illegible]	£50	30/1	50⅝	49½	Bristol (City of) 13¾% Deb. Stk. 1981	50⅝	−⅛
[illegible]	£50	11/2	50¾	49½	Coventry (City of) 13¾% Red. Stck. 1980	50½	+¼
[illegible]	£10	23/1	12	11½	Essex Water 9% Red. Pref. 1981	11⅝	......
[illegible]	F.P.	18/10	130½	115	Haslemere Est. 9¾% '90-5	120	......
[illegible]	F.P.	9/1	101½	99⅞	Islington 13% Red. Stk. 1981	101½	+¼
[illegible]	F.P.	9/1	99¾	97½	Do. 14% Red. Stk. 1985/6	98¼	+¼
[illegible]	$100 50	—	870p	850p	Jardine Math.7½% Conv. Uns. 1990	840p	......
[illegible]	F.P.	28/11	100	98¾	Lee Valley Water 9% Red. Pref. 1980	99	......
[illegible]	F.P.	—	100	93½	Midland Bank Float Cap Notes '82	100	......
[illegible]	F.P.	—	98¼	98	Noranda 9¾% Notes 1980	$C98¼	......
[illegible]	F.P.	—	102½	98	Do.	$C5.102¼	......
[illegible]	£25	25/1	28	28	Norcros 13¾% Deb. 1990/95	27½	......
[illegible]	—	—	95	92	Pentos 15% Conv. Uns. 1985	92	−1
[illegible]	F.P.	17/11	50½p	45p	Single 10% Cum. Conv. Pref.	46½	+½
[illegible]	F.P.	28/11	120	100	Spirella 15% Conv. 1990	106m	......
[illegible]	F.P.	—	99	98	Trans Union Fin Can 10¼% notes 1980	$C.98	......
[illegible]	F.P.	31/10	99½	96½	York Waterworks 9% Red. Pref. 1980	96½xd	......

"RIGHTS" OFFERS

Issue Price p.	Amount Paid up	Latest Renunc. Date		1975 High	1975 Low	Stock	Closing Price p.	+ or −
[illegible]	Nil	19/12	30/1	80	69	Anglo-Am Asphalt	78pm	......
[illegible]	Nil	16/1	—	75	44	Bank of Nova Scotia	52½pm	−½
[illegible]	F.P.	5/12	7/1	62	55	Berry Wiggins	51	−1
[illegible]	F.P.	12/12	16/1	365	332	British Home Stores	334	......
[illegible]	F.P.	12/12	12/1	55	47	Capper-Neill	52	......
[illegible]	F.P.	5/12	9/1	22½	15	Charles (David)	19	+1
[illegible]	F.P.	24/11	8/1	87	79	Debenhams	84	+1
[illegible]	Nil	—	—	36	35	Ellis & McHardy	35pm	−1
[illegible]	F.P.	12/12	9/1	125	119	Fenner (J.H.)	125	+2
[illegible]	F.P.	1/2	7/1	837½	775	Harrisons & Crosfields	875	+25
[illegible]	F.P.	15/12	12/1	86	84	Hunting Assoc. Inds.	82	......
[illegible]	F.P.	5/12	5/1	100	90	Ibstock Johnsen	92	......
[illegible]	Nil	17/12	16/1	129	111	Kwik Save Discount	115	+5
[illegible]	Nil	2/1	23/1	28	24	Lennons Group	27pm	......
[illegible]	Nil	22/12	20/1	23½	19	Lighting & Leisure	21pm	......
[illegible]	Nil	19/12	16/1	10½	7	Mowlem (J.)	7pm	......
[illegible]	Nil	30/1	13/2	180	125	Nat. Bank of Aust.	155pm	−5
[illegible]	F.P.	17/12	7/1	37	34	Pontins	37	+½
[illegible]	Nil	31/12	5/2	8	6	Pullman (R.& J.)	6pm	−2
[illegible]	F.P.	24/11	30/1	59	35	Raybeck	56	......
[illegible]	Nil	19/12	30/1	58	24	Runciman (W.)	34½	+2½
[illegible]	Nil	19/12	21/1	5½	1½	Sidlaw	4pm	......
[illegible]	F.P.	19/12	16/1	70	64	Watson & Philip	66	......
[illegible]	F.P.	19/11	19/12	80½	60½	Weir Group	80	−½

Renunciation date usually last day for dealing free of stamp duty. a Placing to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

Unigate tops £9m. at 24 weeks

PROGRESS HAS continued at Unigate. In the 24 weeks ended September 13, 1975 profits before tax have reached £9.04m., compared with £7.82m. in the corresponding six months ended September 30, 1974.

Included is £199,000 (£636,000) retrospective margin awards. Interest charged was down from £3.54m. to £2.56m.

Earnings are shown at 2.26p (2.30p) per 25p share. The interim dividend is stepped up from 1p to 1.1p with a view to reducing the disparity with the final—1.55p last time.

With effect from March 29, Unigate has adopted four-weekly accounting periods for management purposes. The annual accounts will cover 52 weeks ending March 27, 1976.

	24 weeks 1975 £000	6 months 1974 £000	Year 1975 £000
Turnover	315,000	285,000	587,800
Profit	11,299	10,837	21,618
Retrospect. awards	199	636	3,180
Interest paid	2,561	3,355	7,003
Profit before tax	9,037	7,822	17,775
Taxation	*4,350	3,796	8,710
Net profit	4,687	4,022	9,065
Ordinary earnings	4,478	3,797	8,535

* Includes £83,000 foreign tax credit, after £231,000 overprovided last year.

Since September 13, the majority of Canadian activities have been sold. Any loss arising will be dealt with in the annual accounts.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Baker Perkins, H. P. Bulmer, Cavenham, Distillers, Dom Holdings, Eucalyptus Pulp Mills, Matthew Hall, Howard Tenens Services, Illingworth Morris, Marler Estates, A. Monk, Norton and Wright, Plysu, Rothmans International, Siebe Gorman, Trustees Corporation, Vaux Breweries.

Finals:—S. and W. Berisford, Brunner Investment Trust, Century Securities, Charterhouse Group, Deanson (Holdings), Delson and Co., Dobson Park Industries, MEPC, North British Steel, Stenhouse Holdings, Trans-Oceanic Trust, United Scientific.

FUTURE DATES

Interims:—

AVP Industries	*Jan. 5
Brown and Tawse	Jan. 7
Continuous Stationery	Jan. 19
Milbury	Jan. 6
Paterson (R.) and Sons	Dec. 19
Radiant Metal Finishing	Dec. 23
Wilkinson Match	Jan. 6
Finals:—	
Camford Engineering	Dec. 19
Hawkins and Tipson	Jan. 8

* Amended.

Atlas Stone meets forecast

Group turnover of Atlas Stone expanded from £6.96m. to £8.15m. in the year to October 31, 1975, and pre-tax profits were £877,230, against £890,817, before fees and expenses in respect of the take-over bid by Eternit of £28,689.

At the time of the bid the directors forecast profits in excess of £850,000 for the year. First half profits were up from £262,000 to £397,000.

Full year earnings are shown as 10.45p (11.03p) per 25p share. Dividends totalling 4.85p (4.549p) have already been paid.

Net assets are shown at 114p (107p) per share.

	1974-75 £	1973-74 £
Group turnover	8,146,888	6,876,181
Profit before tax*	877,230	890,817
Takeover expenses	28,689	—
Taxation	420,000	454,100
Preference dividends	3,150	3,150
Ordinary interim	72,694	68,161
Second interim	117,882	109,619
Retained†	238,835	252,898

* Includes sale Government securities £45,361. † After adjustment of tax for prior years.

The chairman, Mr. G. G. J. Davis, says that second-half trading profit was down from £608,713 to £434,925 reflecting the reduced level of activity in the building and construction industries.

Acceptances have been received by Eternit from the holders of 91.4 per cent. of the shares for which the offer was made. Eternit intends to use the powers conferred by Section 209 of the Companies Act 1948 to acquire any outstanding shares. Mr. Davis advises those who have not yet completed an acceptance form to do so.

Headway for Philip Harris

On turnover up from £2.69m. to £3.13m. Philip Harris (Holdings) reports an increase in profit from £242,552 to £280,972 for the half year to September 30, 1975, subject to tax of £146,105 against £126,127.

Earnings per 20p share are shown to have risen from 3.6p to 4.1p and the interim dividend is stepped up from 1.2p to 1.3p net. Last year's total was 3.2p from profit of £479,862.

Philip Harris home sales have been rather better than was anticipated and exports have continued to increase, say the directors.

The medical company has continued its upward trend achieving both record levels of sales and profits.

Negotiations are proceeding for the sale of the Highgate Square factory. During December Philip Harris's offices and warehouse have been moved to Shenstone and although this disruption may have some slight effect on the second half year the Board consider that with the strong export order position the results for the full year will show "a pleasing" increase.

Bluemel Bros. turns in £254,682

Manufacturers of cycle and motor accessories, Bluemel Brothers, reports turnover up from £3.3m. to £3.35m. for the year to September 27, 1975 and pre-tax profits of £254,682 against £203,802 after £121,227, compared with £54,614 for the first half.

The full year's pre-tax profits include £101,157 from Ray Engineering Company of Bristol.

The chairman Mr. B. J. Ditcham says that as anticipated, second half profits did not show the usual rate of increase over the first half, but he feels that the results are satisfactory.

	1974-75 £	1973-74 £
Turnover	3,353,773	3,298,630
Profit before tax	254,682	203,802
Tax*	125,862	106,900
Net profit	128,820	96,902
Interim dividends	27,556	17,838
Proposed final	41,159	39,795
Provision†	22,808	10,000
Goodwill written off	12,800	—
Leaving	25,205	30,049

* Includes tax equalisation reserve £31,247 (£40,000), and after £9,728 (£7,873) previously overprovided. † For loss in subsidiary not consolidated.

Lack of demand in the motor industry has affected the steering wheel and registration plate business, but the company has maintained its penetration in a very competitive market. Demand for cycle products remains healthy.

Earnings are shown to be up from 4.26p to 5.66p per 25p share and the dividend is raised from 2.5p to 3.036p net with a final of 1.81p.

Braithwaite forecasts record

FOLLOWING an increase in export shipments and successful negotiations of final sums on certain long-term contracts, taxable profit of bridge and constructional engineers, Braithwaite and Co. Engineers, more than doubled from £99,768 to £210,640 for the six months to September 30, 1975.

And the directors anticipate that profit for the full year will exceed last year's record £452,531.

In view of the improved results and to reduce disparity with the final the interim dividend is lifted from 2.23p to 2.89p net at a cost of £39,000—1974-75 total was 6.37p

	Half-year 1975 £	1974 £
Turnover	4,356,000	3,657,800
Pre-tax profit	210,640	99,768
Tax	109,500	52,000
Net profit	101,140	47,768
Preference dividends	3,937	3,937
Attributable	97,203	43,831

The company's cash flow position is "satisfactory" and capital investment in excess of £100,000 has been authorised for works which will help to increase productivity.

Statement Page 20

Northern Rock assets show 20% growth

Northern Rock Building Society announces that total assets increased by 20 per cent. or £50m. during 1975 and now exceed £300m.

A total of 60,000 new investment accounts were opened during the year and gross receipts totalling £125m. were invested. More than £18m. interest was paid out or added to existing accounts.

Buoyant investment inflow has enabled the society to sustain record lending levels throughout 1975 and total advances are 80 per cent. up following the restricted lending levels of 1974. More than £65m. was advanced.

Mortgage demand has been heavy and a further £14m. has been earmarked for loans approved and awaiting completion.

The Society's average loan during 1975 rose to £7,150—an increase of some 13 per cent. on last year's figures. About 50 per cent. of advances were made on houses costing up to £9,000 and in 70 per cent. of cases the income of the purchaser taken into account was not more than £4,000 a year.

During the year Prudential Investment Building Society (Edinburgh), Dunelm Building Society (Durham), Wallsend Permanent Building Society and Haltwhistle Permanent Benefit Building Society merged with Northern Rock.

Trafalgar House up £2.6m —raising £25½m.

IN ADDITION to reporting record profits of £22.2m. and a 70 per cent. increase in dividend for the year ended September 30, 1975, Trafalgar House Investments also announces plans to raise some £25½m. by way of a rights issue.

The profit represents an increase of £2.62m. on 1973-74 and follows a first half rise from £9.02m. to £9.81m. Turnover expanded from £281.47m. to £382.71m.

At the trading level the profit —before interest, and provisions of £4.7m. (£1m.) against contingent losses which may occur on completion and disposal of certain properties — showed an advance from £25m. to £31.3m. and included only £0.3m. profit on sales of land and ships compared with £4.2m. in 1973-74.

At the net attributable level the balance emerged at £14.41m. against £14.39m., and stated earnings per share are 11.9p (12.2p) and 11.7p (11.8p) fully diluted.

The final dividend is stepped up from 1.339p to 2.1p on capital to be increased, raising the net total from 2.5167p to 3.4634p. For 1975-76 a total of 4.62p is expected to be paid and the Treasury has indicated its consent to this payment.

The rights issue is to be on a one-for-four basis at 85p per share to Ordinary and Accumulating holders registered December 17. The underwriters to the issue are Kleinwort Benson. Provisional allotment letters will be despatched on January 2. An extraordinary meeting will be held on the same date to authorise an increase in the capital from £27m. to £35m.

Expenses of and incidental to the issue are estimated not to exceed £900,000, excluding VAT.

In his annual statement chairman Mr. Nigel Broackes points out that the group continues to enjoy unused tax allowances approaching £100m. and these mean that no tax will be payable on U.K. profits for some years to come.

The group's interest in investment property is now only 20 per cent. of gross assets. There are major developments in Central London with a book value of nearly £40m. which are unlikely to be let or sold for another year or two but the chairman has no doubt that the disposals in due course will realise a healthy surplus.

Mr. Broackes says that he regards the rights issue primarily as a means of increasing net worth in keeping with the overall growth of the business, rather than a fund raising operation for one or two particular purposes. Quite apart from the rights proceeds, unused credit facilities amount to £40m.

On the group's shipping interests the chairman says that these are broadly based and capable in due course of expansion and even better profitability than in 1974-75. Meanwhile this year's results will be less than those of the previous year, but are still likely to exceed what Cunard has ever earned before —excluding profits from ship sales.

The current shipbuilding programme is approaching completion, and the volume of further orders will be restricted until rates are attractive and the outlook more clear. Much the same considerations apply to the rest of the business.

The chairman says that he retains his general optimism and enthusiasm and it is hoped to do better in the current year. He has no doubt that the business will in due course move to levels of profitability distinctly higher than at present, but timing depends on world considerations and particularly on the solution of this country's difficulties.

The report shows that year-end commitments for capital expenditure were £29.43m. (£41.58m.) contracted, including £20.70m. (£27.91m.) in respect of ships. Authorisations amounted to £2.07m. (£4.36m.).

A statement of funds shows that there was a net reduction of £6.95m. (£7.04m.) in overdrafts during the year.

Because the 1975 Finance Act has removed most of the attractions to holders of the company's scrip dividend scheme the Board has decided to terminate the scheme. Meetings have been convened for January 14. Subject to the passing of resolutions all outstanding Accumulating Ordinary shares will be converted into Ordinary as at January 21, 1976 and holders of such shares will receive the final in respect of 1974-75 in cash.

The rights document reveals that legal proceedings have been commenced against a number of subsidiaries. On the basis of advice and information currently available, and in so far as it is considered any liability against the group is likely to arise in respect of these claims the directors are of the opinion that either adequate insurance cover is available or that appropriate provisions have been made in the group accounts at September 30, 1975.

	1974-75 £000	1973-74 £000
Trading profit:—		
Contracting, civil engineering, etc.	[illegible]	[illegible]
Housebuilding*	[illegible]	[illegible]
Shipping and hotels	11,262	9,672
Property and invest. inc.	11,490	[illegible]
Total	[illegible]	[illegible]
Provision	[illegible]	1,000
Interest funded debt	4,440	[illegible]
Revenue before tax	22,194	19,570
Tax and equalisation	[illegible]	[illegible]
Minorities	[illegible]	[illegible]
Net profit	14,415	[illegible]
Extraordinary credits	35	—
From reserves	215	[illegible]
Net balance	14,414	14,365
Dividends	4,846	[illegible]
Addition to carry forward	9,568	11,[illegible]

* Includes £97,000 (£757,000) realised on land sales. † Includes £214,000 (£2,458,000) realised on the sale of cargo ships and £972,000 (nil) depreciation written back as a result of extending estimated useful lives of containerships from 12 to 15 years.

Statement Page 20
See Lex

Lindustries down by 29%

IN A SECOND interim report, the chairman of Lindustries, Mr. W. E. Luke, announces that pre-tax profits for the 12 months to September 27 declined 29 per cent. from £4.83m. to £3.45m. on a 5¼ per cent. increase in turnover.

Earnings per 25p share fell from 11.69p to 7.83p. A second interim dividend of 2p net brings the total so far to 3.2p against 3.759p last year.

On prospects for the final period of the extended year the chairman says that provided there is no further deterioration in the motor industry, an improvement at Delanair should continue with beneficial results for the engineering division. The prospects for the Polymer division are not good in the short term but in the Textile division there has recently been a modest improvement in the order position.

	1975 £000	1974 £000
Turnover	64,924	61,545
Engineering	27,741	27,196
Polymer	11,312	10,779
Textile	13,716	13,309
Overseas	12,155	10,261
Profit	4,632	5,331
Engineering	619	436
Polymer	572	965
Textile	1,617	2,295
Overseas	1,224	1,635
Investment income	38	80
Interest payable	792	568
To pension fund	—	230
Share associates	145	334
Profit before tax	3,454	4,835
Tax	1,747	2,504
Net profit	1,707	2,331
Minorities	150	120
Extra-ord. credit	208	122
Attributable	1,765	2,333
3.5 per cent. Pref.	39	39
4.2 per cent. Pref.	46	46
Ordinary divs.	369	664
Retained	1,061	1,584

In the engineering division profits showed a marked increase in the 12 months primarily because of the action taken to stem the losses of Cowlishaw Walker and Delanair.

A decline in volume of business in the polymer division resulted in much reduced profits. William Warne and Co. does a considerable amount of business with the motor industry and this predictably declined.

Last year's profits in the textile division reflected a high volume of business and it was not expected that in the present recession this would be maintained. Nevertheless, the overall performance has been good, states Mr. Luke.

Since the last balance sheet at September 28, 1974, there has been a considerable improvement in the group's liquidity, resulting from stringent economy measures and a reduction in the level of working capital in many areas.

• comment

The predicted sharp decline in Lindustries' profits has materialesd as a drop of nearly two-fifths in the six months to September against the comparable period. But news that the group is turning round its loss makers within the engineering division gave heart to the shares which rose up to 56p yesterday. Though the outlook remains uncertain Lindustries sounds fairly confident that the group has at least reached the bottom of the profits slide. The current six months must be looking much better if only because the £4m. or so loss from Delanair in the six months to March 1975 will be absent this time. The yield on an annualised prospective maximum dividend comes out at 11¼ per cent., already twice covered by earnings over the past 12 months.

M. L. Meyer first half

ALTHOUGH first half profits of Montague L. Meyer exceeded the forecast, they showed a marginal decline from £4.11m. to £4.07m. when compared with the corresponding 1974 period. In yesterday's report, the figures were inadvertently reversed and therefore showed a slight increase.

Over the period turnover declined £3m. to £70m., but an increase since the summer resulted in the forecast profit being well beaten.

	Six months 1975 £000	1974 £000
Turnover	70,000	73,000
Trading profit	[illegible]	7,621
Depreciation	911	787
Interest payable	1,542	2,723
Share associates	[illegible]	[illegible]
Profit before tax	4,070	4,111
Tax	1,920	2,201
Net profit	2,140	1,810
Minorities	134	163
Available	1,956	1,647

BIDS AND DEALS

Tate & Lyle paid £6.5m. for Paktank interest

Tate and Lyle subsidiary, United Molasses, has paid £6.5m. for the 50 per cent. Paktank Storage Company which it does not already own.

It is believed that the deal values Paktank at about £20m. The deal will give Tate and Lyle complete control of the U.K.'s largest public storage company for bulk liquids.

Tate and Lyle say that it is part of its strategy to expand in third party storage—a growth market which it identified back in 1963 when the joint venture with Pakhoed was first formed.

Total capacity is currently being enlarged from 750,000 to 860,000 water tons. Facilities are available for both short and long term customers with access by road, rail, sea and pipeline.

PENTOS-MMS

Pentos has received acceptances for 2,474,847 Ordinary shares in Marshall Morgan and Scott and now owns 94.2 per cent. of the total unrestricted capital, prior to the scrip issue.

Pentos has declared the offer unconditional as to acceptances and as all the other conditions have been satisfied the offer has become unconditional in all respects and will remain open until December 29.

TRIDANT GROUP

Tridant Group Printers announces that its subsidiary Tridant Group Publishing, has completed the purchase of the businesses of Clarke, Doble and Brendon, printers and die-stampers at Plymouth, and C. J. Mason and Sons, web offset colour printers at Bristol. Total consideration was £282,000, settled in cash.

LAMSON SALE

Lamson Industries is selling its wholly owned subsidiary Lamson Engineering to Crest Nicholson with effect from June 29, 1975, for a cash consideration of £670,000.

The sale includes Lamson Engineering's wholly owned subsidiary in Holland, but excludes the subsidiary Dart Cash Carrier, the shareholdings in Lamson Industries Australia, and the freehold property at Hythe Road, Willesden, NW.

Total net assets being acquired amount to some £640,000 of which £530,000 are situated in the U.K. and approximately £110,000 in Holland. These figures include estimates for current and future pension rights.

The total consideration of £155,000 is payable on completion and the balance of instalments over two and a-half years. Interest is payable from April 1, 1976, at 1 per cent. over Barclays Bank Base Rate on instalments outstanding thereafter.

Stewart calls off Bowater talks

Discussions between Stewart Plastics and Bowater have been terminated. Chairman Mr. C. Dugan-Chapman explains that it became clear in the talks that if Bowater was to make an offer it would not be in excess of 110p per share which, although above the current market price, would not in the directors' view reflect the present value and prospects of the company.

Results of SP for the six months ended October 31, 1975, show profits at £512,493 compared with £543,894, on a turnover of £1.87m. (£1.97m.). The interim dividend is 2.51266p net—for 1974-1975 an interim and only payment of 2.85452p was paid from profits of £1.1m.

An industrial dispute had affected sales for the first quarter, but as a result of a substantial improvement since August, both sales and profit for the half year show only a small shortfall.

Demand for household and gardening products continues particularly strong and the chairman is confident sales for the year will show a satisfactory increase. He feels that SP is in a very strong position to continue the growth of the past three years.

The company continues in an extremely strong liquid position. At April 30 it had no borrowings but cash and investments totalling over £1.5m. This figure has increased to over £2.2m. and cash balances at the year-end should exceed those at the end of last year.

Accordingly the company has resources to finance any foreseeable increase in production without borrowing and the directors will continue to seek additional means of utilising these resources for that purpose.

No diversification is planned, however, as it is felt that prospects for the company's business are as good as any in the present economic climate.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Swedish Government puts together shipyard merger

BY WILLIAM DULLFORCE

STOCKHOLM, Dec. 17

THE SWEDISH government is taking a 51 per cent. share in a new shipbuilding concern to be formed on July 1 next year through the merger of two of Sweden's largest shipyards. They are the Eriksberg yard, which the government took over in June, and the Gotaverken company, owned by Saleninvest, a shipping and shipbuilding group, controlled by the Salen family.

The government intends to cut back the total output from Swedish shipyards, second only to the Japanese in recent years. After the takeover announced in Gothenburg today, the government will — effectively — control three of the four main Swedish shipbuilding concerns. Only Kockums now remains in private hands.

The total cost to the state of the Gotaverken-Eriksberg deal is expected to be some Kr.700m. (£78m.). The government is expanding its holding in Gotaverken from its present 9.5 per cent. stake to 51 per cent. by converting a Kr.45m. loan made in 1971 into share capital and paying Kr.136m. (£15.2m.) for the remainder. Gotaverken has equity of Kr.158m. and as a family concern is not quoted on the Stockholm exchange.

The new Gotaverken company will acquire the Eriksberg yard for a nominal Kr.1,000, the same sum as that paid by the government when it took over Eriksberg from the Brostroem company, Tirfing, in June, after the yard had made an estimated loss of Kr.150m. (£16.7m.) in 1974.

The government also undertakes to cover the losses expected on Eriksberg's existing contracts over the next two years. At present these losses are put at around Kr.500m. (£55m.) but they could increase, if more orders are cancelled.

Saleninvest, in turn, has agreed that, if the government so demands, it will use the Kr.136m. paid for its equity to order two new vessels from the Eriksberg yard. As a minor part of the agreement the government will approve Saleninvest's takeover of Calor-Celcius, a sanitary and pipe-laying contracting company. The whole agreement is subject to parliamentary approval.

The government, Saleninvest and the company employees will each appoint four members of the new Board with the government nominating the chairman. Gotaverken's present managing-director, Mr. Hans Laurin, will continue in his post. Some staff will be made redundant but a Gotaverken spokesman said office personnel would be mostly affected in the beginning. Paradoxically, the yards are suffering from a shortage of skilled workers.

Eventually the Eriskberg yard will be merged with the Arendal yard, one of four owned by Gotaverken. Both yards will fulfil existing orders, which will provide work until the end of 1977 although at less than full capacity utilisation at Eriksberg. Within a five-year period from 1978, the two yards will be merged into one.

DM200m. loss for Krupp steel

BY ADRIAN DICKS

BONN, Dec. 17.

FRIEDRICH Krupp Huettenwerke (FKH), the steel-making branch of the Krupp group, now expects to suffer a loss of DM.200m. for the year 1975 as a whole, the chairman of its management board, Dr. Robert Mintrop, said to-day.

Speaking at the inauguration of the company's new LD-converter at its Rheinhausen works, Dr. Mintrop painted a sombre, though not unexpected, picture of the Germany steel industry's experience during the past 12 months.

He reiterated FKH's view that the bottom of the recession for the industry has now been passed, and declared that since October, prospects for recovery had improved; prices are firming, with a slight upturn in demand. Stocks held by steel users had steadily decreased, Dr. Mintrop said and so a strengthening of demand could be anticipated in the next few months. None the less, FKH will continue short-time working during January.

During 1975, FKH suffered a decline in its overall turnover of 21 per cent., bringing its monthly average down to DM218m. Crude steel output is expected to show a decline for the year of 24 per cent.

Dr. Mintrop revealed a similar downturn for the company's rolled steel products. New orders were down 21.8 per cent. to 200,000 tons, and deliveries down 23.2 per cent. to 212,000 tons.

The first 10 months of this year also witnessed a further relative decline in the company's overseas business. This accounted for 25.6 per cent. of total turnover, as compared to 27.6 per cent. during the same period of 1974.

On the financial side, Dr. Mintrop stated that FKH would be unable to pay a dividend this year. Last year the company paid out 10 per cent. to its parent Friedrich Krupp group (which holds 70 per cent. of its shares) and to minority shareholders.

In spite of this disappointing picture, the Supervisory Board of FKH last month endorsed Dr. Mintrop's optimistic view of the future for the industry when it gave the green light for a major investment programme, to include the construction of a second large blastfurnace at Rheinhausen.

Pakhoed expecting profits rise

BY MICHAEL VAN OS

ROTTERDAM, Dec. 17.

PAKHOED, the Dutch-based storage, transport and property group, expects profits to rise "at least 12 per cent." this year despite the recession and major setbacks, particularly in its French transport activities. It is able to stick to its earlier growth forecast largely because of earnings from its property division after major portfolio sales. These have compensated for losses at Onatra in France.

This was stated here to-day at a Press briefing by Mr. Gerrit Verhagen, the company's chairman. He added that Pakhoed "looked forward to 1976 with confidence."

The Rotterdam-based company, in whose share capital foreign investors have a very substantial interest, is looking for maintained expansion of its overseas activities with the accent on the U.S. storage and to a lesser extent property.

To illustrate its strategy, the company said that at the end of this year 75 per cent. of its assets would be in Holland, 16 per cent in the rest of Europe and 9 per cent. in the U.S., but by the end of 1980 the percentages would be 45 per cent. for Holland, 34 per cent. for North America and 21 per cent. elsewhere.

Pakhoed conceded that losses at Onatra, its now fully owned transport subsidiary in France, were expected to exceed the level of 1974 partly as a result of setbacks in the Chemical sector on which it depends for business. But there were hopes that the company might return to profits in 1976 after a management reorganisation.

Cockerill sells stake in Sidmar

BRUSSELS, Dec. 17.

COCKERILL, the major Belgian steel company, has offered its 21.97 per cent. interest in Sidmar, another steel maker, to Arbed, the Luxembourg-based steel company.

The Arbed group already holds 62 per cent. of Sidmar. Sidmar had a rolled steel output of 2.02m. metric tons in 1974, mostly sheet for the auto industry. Sales totalled B.Frs. 22.9bn.

The price at which Cockerill's Sidmar shares were offered to Arbed has not been disclosed. But it is generally believed that Cockerill will receive over B.Frs.2bn. for the 417,400 Sidmar shares it is to turn over to Arbed.

So far as Arbed is concerned, it has long considered Sidmar an integral part of its operations while Cockerill, since selling a 9 per cent. Sidmar interest to Arbed in 1970, has treated the remaining 21.29 per cent. merely as a financial investment.

Societe Generale de Belgique, the major Belgian industrial holding company, has considerable interest in both Arbed and Cockerill. AP-DJ

UCB pays lower 1975 interim

BRUSSELS, Dec. 17.

UCB, the Belgian chemical company, will pay an interim dividend of B.Frs.50 net per share for its 1975 business year. This is a steep fall on the B.Frs.80 paid to shareholders a year ago.

At the same time, the company said it "already appears" that the group's consolidated accounts for 1975 will show "an important loss."

The interim dividend is being paid largely on B.Frs.177m. brought forward from 1974 earnings and from dividends received from subsidiaries this year out of their 1974 results, according to UCB.

UCB's statement did not forecast any results for 1975 but in 1974, the consolidated accounts of the group produced net profits of B.Frs.417.9m. on sales of B.Frs.12.73bn. In 1974, UCB paid a dividend of B.Frs.175 per share.

For UCB, as for the European chemical industry as a whole, demand has remained at "an abnormally low level this year." Plant activity was largely insufficient and production costs were too high.

There are, however, some indications of a slight improvement in trading since October. AP-DJ

Expansion at Massey-Ferguson

FINANCIAL TIMES REPORTER

TORONTO, Dec. 16.

WORLD-WIDE sales of Massey-Ferguson for the year ended October 31, 1975, achieved a record U.S. $2.5bn., an increase of 41 per cent. over 1974.

Net income was $94.7m. compared with $68.4m. in 1974. On a per-common-share basis, net income was $5.08 against $3.75 in 1974, an increase of 35 per cent.

Sales of the company's major product lines, including parts, were: farm machinery, $1.8bn., up 40 per cent. over 1974; industrial and construction machinery, $355m., up 46 per cent; diesel engines, $295m., up 44 per cent.

Farm income in 1975 remained at a high level and consequently the demand for most categories of farm machinery continued strong.

Diesel engine production increased to a record 261,000 units in the United Kingdom, a gain of 13 per cent. over 1974, and 53,5000 units in Brazil, a 49 per cent. increase over the previous year.

The economic environment for industrial and construction machinery deteriorated in most markets during 1975. In spite of this, sales reached $355m., assisted by the addition of the Hanomag Line of large construction machines introduced into the company's world-wide distribution system during 1975. The company acquired the Hanomag Construction Machinery Division of Rheinstahl, in September, 1974.

In Canada and the United States, Massey-Ferguson increased its sales, particularly for large tractors and combines and for diesel engines. Total North American sales reached a record $746m., an increase of 22 per cent. over 1974. Sales outside Canada were 93 per cent. of total world sales.

The Brazilian market maintained a strong growth rate and was the company's second market with sales of $363m. The Argentinian company held a 24 per cent. share of the domestic tractor market and was a supply source for machines and components for certain export markets.

Sales in Europe reached $814m., an increase of 44 per cent. over 1974 with all markets in the region showing good growth.

In Asia, sales were $148m., an increase of 116 per cent. over 1974, and major increases were recorded in Turkey, Pakistan and Iran.

Changes in a number of currencies in the fourth quarter resulted in an exchange loss of $4.8m. for the quarter, after applying a deferred exchange gain of $1m. carried forward from 1974, and brought the year's figure to $6.7m. Major devaluations occurred in Argentina and South Africa.

Capital expenditure in 1975 reached a record $170m. reflecting the company's ongoing programme in support of new major products and modernisation and expansion of production capacity.

Commenting on the outlook, Albert Thornbrough, Massey Ferguson President, said that expectations of a lower level of inflation in most parts of the world and the easing of supply contraints should provide a sound base for growth in 1976 and 1977.

"The environment for industrial and construction machinery world-wide should begin to improve in 1976 and thus provide a growth opportunity for the company's Hanomag construction machines," he said.

"World food stocks," he added, "remain at a low level and the prospect of buoyant farm cash income supports a forecast of continuing high demand for larger horsepower, high capacity farm machinery in North America, and for lower horsepower tractors in developing countries where Massey-Ferguson has a well-established position.

BHP faces earnings decline

BY JAMES FORTH

SYDNEY, Dec. 17.

PRODUCTION figures of Broken Hill Proprietary, Australia's largest company, suggest that earnings will be lower for the first half of 1975-76.

Figures released to-day show that steel output dipped almost 3 per cent., during a period when steel prices were low, and minerals output also slipped. This should more than offset recoveries in production of oil and gas.

Steel output from the group's four mills dropped 2.8 per cent. or 113,000 tonnes to 3.82m. tonnes in the six months to November and the decline gathered pace in the final month.

Production of the group's most profitable mineral, iron ore, declined almost 10 per cent. from 10.2m. tonnes to 9.2m. tonnes while manganese output managed a marginal increase of 5,000 tonnes to 707,000 tonnes.

Production of oil rose 13 per cent. to 34m. barrels and output of liquefied petroleum gas rose almost 28 per cent. to 318,000 tonnes, reflecting the absence of industrial problems. In the first half of 1974-75 BHP lifted profits from $A52.5m. to $A55.7m., despite a $A16.1m. loss on steel operations.

Although steel production did not fall much in the latest half, domestic demand was weak and the company was forced to compete for exports on a depressed world market. Export prices were only marginally profitable and in some cases unprofitable. Directors recently indicated that unless local demand picks up early next year substantial staff retrenchments are likely.

Philip Morris bonus

BY JAMES FORTH

SYDNEY, Dec. 17.

PHILIP MORRIS (Australia) the cigarette and wine company, is making a one-for-three bonus issue. It is the fifth free issue since 1967—the last was in 1973, also on a one-for-three basis.

The bonus scrip will share in the interim dividend announced to-day of 15 cents a share, which is equivalent to a pre-bonus rate of 20 cents. Last year the company paid a total of 26 cents a share, in interim and final payments of 13 cents each.

Announcing the bonus, directors said that good growth had been achieved in cigarette sales in the current half year with strong performances by leading brands, Marlboro, Viscount and Alpine. The new Black and White cigarette was strengthening its market position, the directors added.

Demand for the company's wines was high and sales for the half would be substantially higher than last year, they said.

The bonus issue is worth $A5.67m. drawn from the share premium reserve. Shareholders will be asked to increase nominal capital from $A20m. to $A50m. to enable the issue to go ahead.

Major DSM investment plans

BY RHYS DAVID, CHEMICALS CORRESPONDENT

A MAJOR programme of investment aimed at broadening its product spread and increasing its representation in international markets is being planned by DSM, the Dutch State-owned chemicals concern.

The company which has made a successful move away from coal and coal-based chemicals—half its business ten years ago—is expecting to spend a total of £1.5bn. up to 1980 with possibly up to £80m. being spent in the U.K. This includes a half share in the £35m. due to be spent on rebuilding the Flixborough caprolactam plant of Nypro U.K. (jointly owned with the National Coal Board). £14m. on expanding fertiliser production at its Shellstar subsidiary and possibly a further £40m. on a second ammonia plant due to come on stream in 1980-81.

Dr. Wim Bogers, DSM president giving details of the company's plans in London, said DSM was intending to maintain or better its position in areas where it was already a substantial producer, as in fertiliser and yarn and fibre feedstock, and to improve its position in polymers where operations were not yet on a sufficiently large scale.

The company would also be seeking to expand in developing areas of its business such as industrial chemicals, plastics processing, and building materials and to extend production and sales into new geographical areas.

Dr. Bogers added that in going ahead with a massive programme of investment, despite the recent evidence of a slow down in the growth rate for chemicals, the company had in mind the likely effects of inflation and the current strength of the guilder. Money could be saved by building now rather than later and the strength of the guilder mean that the company would benefit from relatively cheap imported chemical engineering materials.

The rundown in natural gas reserves in the Netherlands could mean that the guilder would in several years' time begin to lose its high value in relation to other currencies.

DSM which is expecting a turnover of around Fl.5bn. (about £1.5bn.) in 1975 is also concerned that unless it invests within the next few years to bring some of its currently less scale of the world's second rank-scaleof the world's second ranking chemical companies, immediately behind the multinational giants, it will be too late to catch up in the 1980s.

The company is envisaging an average rate of growth in sales at 1975 prices of 10 per cent. a year up to 1978, with the growth curve levelling off thereafter. Growth in fertilisers, and fibre feedstocks, the company's mature operations, would remain below 10 per cent. and would be achieved mainly through increasing the internationalisation of the business.

In plastics, where the company's competitive position is still considered to be insufficient, the rate of growth would have to be faster up to 1978 and beyond, if the necessary scale of operations was to be achieved. The company's three developing businesses — building materials, plastics processing and industrial chemicals—would have to grow fastest of all but the growth would be directed towards diversification and spreading of risks rather than towards attaining a certain size of operations.

About one third of the projected investment of £1.5bn. will be spent at the main Limburg complex in Holland resulting in virtually full development of the site by the end of the period. Another one third would be spent elsewhere in the Netherlands with the remainder going mainly to the U.S. and the U.K.

The company already has substantial investments in the U.S. through its two subsidiaries, Columbia Nitrogen Corporation and Nipro, both at Augusta, Georgia. Nipro already one of the largest caprolactam producers in the U.S. is to expand its capacity to about 150,000 tons a year by the end of next year, and Columbia Nitrogen is planning a new ammonia plant of 400,000 tons a year to expand its fertiliser capacity.

In the U.K., Shellstar has said that its plans for a £14m. fertiliser expansion, followed towards the end of the decade by a new £40m. ammonia plant, will be dependent on satisfactory prices for natural gas being negotiated with the British Gas Corporation. Nypro is expecting that authorisation to rebuild its Flixborough plant will be given within the next two months.

Tongaat reports growth

BY RICHARD ROLFE

JOHANNESBURG, Dec. 17

TONGAAT Group, the last of the SA sugar majors to report for the six months to end-September, has shown profits up from R5.1m. to R5.9m. at the pre-tax level. These figures are based on the formula of showing half estimated profits from sugar for the full year plus actual results from the other divisions, principally textiles and building materials.

With the tax charge down six points to 27 per cent. attributable earnings are up from R3.3m. to R3.9m. and earnings per share from 19.9c to 24.2c. An unchanged interim dividend of 5.5c has been declared and there is no information on the likely final — last year 6.5c. The annual earnings forecast made in the last report however is shaded slightly from 50c to 48c.

Tongaat accounts for 10 per cent. of SA sugar output, and derived 44c of its earnings from sugar last year; the latest announcement expects the contribution to be unchanged. The building materials division, mainly coronation brick, will also increase profits but food, feedstuffs and textiles have experienced difficult conditions.

On a prospective 7.5 per cent. yield at 250c on a 12c dividend, Tongaat is more highly rated than the other majors, Huletts and Reynolds. Tongaat itself is a major shareholder in Huletts, with 7.5m. shares or 24.5 per cent. of the company. The Hulett's dividend should be worth about 14c per share to Tongaat this year.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	101¾	102¾
Ashland 8pc 1987	89½	90½
Austraswiss 8pc 1987	89½	90½
Borregaard 8½pc 1989	95	96
Broken Hill 10pc 1990	101½	102½
Carrier 8pc 1987	89½	90½
Conoco 8pc 1985	97	98
Consd. Foods 7½pc 1991	87	88
Cutler Hammer 8pc 1987	91½	92½
EIB 9½pc 1985	101½	102½
ERAP 9½pc 1985	100½	101½
Esso 8pc 1986 Nov.	98¾	99¾
General Cable 8½pc 1987	89¾	90¾
General Motors 8½pc 1986	102	103
Granges 9½pc 1985	99¼	99¾
GTE 8½pc 1986	95½	96½
New Zealand 9½pc 1982	101½	102½
Pacific Light 8pc 1985	90½	91½
Prov. of Quebec 7½pc 1988	87½	88½
Quebec Hydro 8½pc 1989	98	99
Queensland 8½pc 1987	89	90
Scanraff 8½pc 1988	97	98
Shell 8pc 1986	97	98
Stand. Oil (Ind.) 8½pc 1988	99	100
Tenneco 7½pc 1987	87	88
Transocean 8pc 1986	97¾	98¾
Utah 8pc 1987	92½	93½
Volvo 9½pc 1985	100½	101½
NOTES		
Air France 9½pc 1982	101¾	102¾
Ardal 9½pc 1980	100¾	101¾
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 9½pc 1982	99¾	100¾
Cie Ntl. du Rhone 10pc '80	103	104
Du Pont 7½pc 1978	101¾	102¾
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Montreal 9¾pc 1981	101	102
Nippon Steel 8½pc 1980	99½	100½
Norway 9pc 1980	102½	103½
Skand. Enskilda 10½pc 1980	104½	105½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	84	86
Ashland 5pc 1988	79	81
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1992	103	105
Borden 5pc 1992	93	95
Broadway Hale 4½pc 1987	78	80
Canon Camera 7½pc 1989	93	97
Carnation 4pc 1987	84	86
Chevron 5pc 1988	93	95
Dart 4½pc 1987	83	85
Eastman Kodak 4½pc 1988	116	118
Economic Labs. 4½pc 1987	78	80
Eidal 7½pc 1989	68	72
Fed. Dept. Stores 4½pc '85	128	130
Firestone 5pc 1988	88	90
Ford 6pc 1986	88	90
Ford 5pc 1988	77½	79½
General Electric 4¼pc 1987	83½	85½
Gillette 4¾pc 1987	77½	79½
Gould 5pc 1987	86½	88½
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	72	74
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	102	104
J. Ray McDermott 4¾pc '87	113	115
Mitsui 7½pc 1990	101	103
J. P. Morgan 4½pc 1987	101	103
Nabisco 5½pc 1988	93	95
Owens Illinois 4½pc 1987	89	91
J. C. Penney 4½pc 1987	78	80
Pioneer 6½pc 1988	190	195
Rank 4½pc 1993	42	44
Revlon 4½pc 1987	98	100
Sperry Rand 4¼pc 1987	89	91
Squibb 4½pc 1987	89	91
Texaco 4½pc 1988	74	76
Toshiba 6½pc 1990	101	103
Union Carbide 4½pc 1982	103½	105½
Warner Lambert 4½pc 1987	94½	96½
Warner Lambert 4½pc 1988	87	89
Xerox 5pc 1988	71	73

Source: Kidder, Peabody Securities.

A T & T recovery slows

By Guy de Jonquieres

NEW YORK, Dec. 17

AMERICAN TELEPHONE and Telegraph reported to-day that the modest earnings recovery which got under way last summer continued during its fourth quarter, ended November 30, though at a slower rate.

AT and T's net profit in the November 30 quarter rose per cent. to $805.7m. ($1.30 a share) from $796.1m. or $ per share a year earlier. Operating revenues grew to $7.5 from $6.7bn.

The results are rather buoyant than some Wall Street analysts had been forecast. They reflect in part a revision of the depreciation schedule some AT and T telephone subsidiaries ordered by the Federal Communications Commission which reduced net profit $9.4m. during the quarter.

For the full year, AT and T reported that its net profit dropped by 1.75 per cent. $3.1bn., or $5.10 per share from $3.2bn. or $5.28 per share, while operating revenues rose $28.6bn. from $26bn. The retroactive depreciation revisions reduced full year profit by $34.

During the quarter ended August 31 AT and T's profits by 4.7 per cent., but the stronger performance during the second half of its financial year was enough to offset earnings declines during the first quarters.

Mr. John Debutts, AT and T chairman, said that of all factors affecting earnings during the November 30 quarter, most significant was the prolongation of the impact of recession on Western Electric, AT and T's equipment manufacturing subsidiary.

But he added that Western Electric had made most of difficult adjustments needed

Deminex to raise $300m.

By Michael Blanden

A $300m. Eurobond issue is to be floated next spring Deutsche Erdoelversorgung (Deminex). The loan, to finance development of the company's per cent. share in the Thistle North Sea oil field, was disclosed yesterday by the company's Management Board chairman, Mr. Herbert Loetgers.

The chairman added that German Government was prepared to ensure that Deminex was able to raise the capital needed to realise its project, possibly including Government guarantees for bonds floated by the company.

The seven-year Eurobond for Compagnie Française des Petroles (Total) has been increased from $40m. to $50m. in response to strong demand. The annual coupon has been fixed at 9 per cent. and the bonds have been priced at par. The issue was managed by Banque de Paris et des Pays-Bas in conjunction with Morgan et Cie. International, Commerzbank and Dresdner Bank.

The Polysar debenture issue has also been increased, from $25m. to $30m., priced at par with a coupon of 10 per cent.

The offer of $125m. of 8¾ per cent. 5-year notes of the European Coal and Steel Community is being made by Kuhn Loeb, First Boston, Lazard Freres, Warburg Paribas Becker. The 8¾ per cent. notes are priced at par plus accrued interest.

Petrofina abandons Ripolin bid

BRUSSELS, Dec. 17.

PETROFINA has decided to withdraw its bid for Ripolin-Georges Freitag, a French paint company, following a counter-bid by CdF Chimie.

CDF-Chimie is offering Frs. for one Ripolin share, compared with Petrofina's Frs.80 bid.

The Belgian oil company apparently decided not to raise the bid by the French group.

Last Friday, Petrofina said Ripolin shareholders holding around 60 per cent. of Ripolin stock had ceded their holdings to the Belgian company. AP-DJ

Eidai announces reconstruction

OSAKA, Dec. 17.

EIDAI, a leading Japanese wood and housing company, announced a three-year plan to reconstruct its loss-making business with the help of its creditors.

A spokesman for Eidai said it is asking a total of 61 banks and insurance firms to agree to defer repayment of their loans for periods ranging from to 25 months.

The company owes five banks, Daiwa, Fuji, Dai-Ichi Kangyo, Bank of Tokyo, Mitsubishi Banking and Trust Corporation—about Y40bn. Its total debts to other creditors could not be disclosed. Reuter

FARMING AND RAW MATERIALS

Fresh turkey famine at Smithfield

By Our Commodities Staff

A LATE rush for scarce fresh turkeys caused a turkey "famine" at London's Smithfield meat market yesterday. Some poultry wholesalers put up notices says, "Sorry, no more turkeys for Christmas." But if London's wholesale market was without supplies, butchers shops and stores in other parts of the country seem to have adequate stocks.

Mr. William Eastwood, a council member of the British Turkey Federation, said there was not likely to be a shortage of birds. However, unless they ordered their turkeys in good time, some people may not get exactly the weight they required. ...s turkeys had been produced this year, but there were still enough to go round.

A spokesman for the Dewhurst chain of butchers shops also said that they had ample supplies of oven-ready turkeys on sale at 39p a pound for weights up to 13 lb 15 ounces. Heavier birds were from 42p to 46p a pound according to weight.

Rise in grain and feed prices forecast

BY PETER BULLEN

HIGHER GRAIN and protein prices in the coming months were forecast yesterday by Mr. Brian Rutherford, president of the Grain and Feed Trade Association (GAFTA).

Speaking in London, Mr. Rutherford said that in general feeding ratios for livestock now were generally good and profitable. "With rising product prices, we must expect a firmer grain and protein market in the coming months," he warned.

This would lead in turn to higher meat prices in the shops and would make even more urgent the necessity for good grain crops throughout the world to allow some building up of grain stocks.

Looking further ahead, Mr. Rutherford forecast that U.K. grain prices would have to rise by at least 25 per cent. by January 1, 1978. The current price for barley and wheat was in the mid-£60's, but owing to inflation, monetary compensation amounts and EEC transitional arrangements they would have to rise to around £80 a ton by 1978. "I don't think this has been brought home to the public at large," he said.

He reiterated the feed compounders' and grain trade's opposition to the EEC Commission's present proposal to whittle away the Common Market's skim milk powder "mountain" by making compounders incorporate 1 or 2 per cent. of the powder in animal feeds.

The trade's objection to the proposal, apart from the fact that it would add some £5 a ton to the cost, was that it "altered the rules during the course of the game." If introduced, it would affect stocks already bought and interfere with forward buying.

In Britain, GAFTA was making energetic representations to the Government about the Dock Work Regulation Bill. If the Bill was passed in its present form, it could lead to the whole country being held to ransom during a dock strike. Small, as well as major, ports would be affected in future. In any case, the scheme would lead to higher costs which could threaten the viability of smaller ports, said Mr. Rutherford.

Cereals export

The Association, which was concerned with U.K. grain and feed exports and imports worth some £700m. a year (second only to oil in the country's international trade) was maintaining close touch with other affected organisations, such as the British Importers' Confederation and the Food and Drink Industry Council, he said.

From Brussels, meanwhile, the EEC Commission estimates that it still has 2.2m. tonnes of soft wheat and 900,000 tonnes of barley available for export during the current cereals year, reports Reuter.

Up to the end of November, export certificates for 1.5m. tonnes of soft wheat and 1.1m. tonnes of barley were issued.

The Commission thinks that the best way to export surpluses is through the tender system for free market grains, based on rebates or export levies. This should be done either by increasing the amounts of existing tenders, or opening them up to new areas.

In its decisions disclosed on November 26, the Commission has decided to put a further 900,000 tonnes of soft wheat and 50,000 tonnes of durum wheat on the market by such measures.

In Washington, the U.S. Agriculture Department's crop reporting Board says that, by making some changes in content and dates, it hopes to give more accurate early signals of the size of next year's crops.

Board officials said that its initial survey of farmers' planting intentions next spring—to be issued on January 21—would embrace all states for the first time, not just the 35 selected states used in the past.

A second, and more radical, change will affect the traditional pre-spring plantings intentions report. From next year, the nationwide survey for the report will not be conducted until April, a month later than normal.

New fall in farm land values

By Our Commodities Staff

AGRICULTURAL LAND values in England and Wales during the three months ended October 31 were, on average, £216 per acre lower for tenanted land and £95 an acre down for land with vacant possession, compared with the corresponding period last year, according to the Country Landowners Association.

Its latest land price survey estimates the average value of agricultural tenanted land at £283 per acre during the quarter, ending October 31. This compares with £509 for the equivalent period last year and £298 in the three months to July 31, 1975.

The average value for land with vacant possession was put at £593 per acre in the latest survey, £95 lower than that of the same quarter last year, but higher than the £490 estimated for the three months to July 31, 1975.

The figures are based on an analysis of 267 sales of agricultural land, of which 26,400 acres was land with vacant possession and 11,400 acres subject to tenancy.

In the latest survey, lowland sales with vacant possession returned an average of £521 per acre, while tenanted land averaged £285 per acre. There were eight sales of hill land involving 1,860 acres at an average price of £204 per acre.

Land purchased by institutions, as opposed to private individuals of family trusts, was 15 per cent. of the acreage in the sample, compared to 33 per cent. in the previous quarter.

EEC AGRICULTURE

Fundamental split on beef policy

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THERE WAS never any doubt that the EEC Commission would seek the first opportunity to try and abolish Britain's variable premium on beef, instituted by Mr. Peart last March as part of the "renegotiation package" prior to the referendum.

This is because the system under which it works is completely contrary to the principle of support by intervention buying, the keystone of price maintenance under the Common Agricultural Policy.

It is, in fact, a deficiency payment which works like this: The Ministry of Agriculture sets a target price for beef—this week it is £23.50 per live cwt. There is also a fixed payment of £14.27 per head, put at £1.55 per live cost for the purpose of the calculation.

If the market price, plus the headage payment, fails to meet the target price the variable premium makes up the difference. If it equals it or exceeds it, no variable premium is paid.

The variable premium is paid by the British Treasury and, so far this year, is believed to have cost about £50m. No premium is being paid at the moment because market prices are about £22 per live cwt.

The fixed headage premium is paid by FEOGA, the Common Agricultural Fund, and has also cost about £50m. this year.

The headage payment was introduced as an alternative to intervention and can be operated in member countries which wish to do so. But cattle which have received these premia cannot be sold into intervention. In practice, the U.K. is the only member country relying on premia.

Too costly

Mr. Peart has been confident that the variable premium can be maintained as a permanent feature of farm support in this country and also hoped to convert his ministerial colleagues and the Commission to his way of thinking. He has said as much publicly on several occasions.

Mr. Pierre Lardinois, EEC Agriculture Commissioner, has just as adamantly opposed the idea, however. His objections are on two counts: The scheme stands the CAP on its head because it sabotages the principle that the consumer has to pay the guaranteed price for his food, or see it disappear into intervention.

Mr. Lardinois also believes that variable premia would be far too costly in times of glut, as well as being administratively impossible.

Unless a "floor" can be placed in the market by intervention buying, prices could fall throughout Europe to ruinous levels, as they did in Britain in 1974. The cost of deficiency payments in this event would be enormous—far higher than the 400m. Units of Account budgeted for this year.

In addition, though Britain had the mechanism for administering this system, such arrangements were unknown in other member countries.

Mr. Lardinois and his colleagues no doubt feel that the British are still hankering after a cheap food policy, and that to give way on beef would lead to demands to bend the rules over butter and other products. He is probably right in this.

Mr. Peart, prodded by Mrs. Shirley Williams, is acutely aware of the political dangers in the sudden acceleration of food prices expected over the next two years, and of the fuss there would be if large quantities had to go into intervention to keep up prices.

This difference of principle is fundamental and unlikely to be resolved easily.

Cocoa moves to new peak

By John Edwards

COCOA PRICES rallied strongly on the London futures market yesterday to reach new highs for the year by the close. The March position, after trading at ... a tonne at one stage, ended the day at £719.5, up £7.5 on the previous close.

After opening higher, values quickly lost ground on reports of selling by Ghana and Nigeria, as well as higher Brazilian ... purchase and arrival ...es. But the market then ...ed up again as some strong ...ng developed, particularly ... one influential quarter. New York also advanced.

In contrast, London coffee prices came back sharply yesterday. The March position ... £14 to £373.5 a tonne.

Reacting to the previous day's ..., the market was discouraged by a statement that crop ... in Columbia, as a result of recent floods, were still being ...tigated, thus casting doubts on earlier estimates of a 30 per cent shortfall.

Sugar futures lost ground yesterday. The London daily price for raw sugar was cut by ... to £161 a ton, and losses in ...es ranged between £4.75 to £7 following selling pressure by the trade and speculators at the higher levels.

Higher lead/zinc prices urged

NEW YORK, Dec. 17.

PRICES OF lead and zinc will have to go up, if smelting or refining capacity of these metals are to be increased, Mr. John C. Duncan, president of St. Joe Minerals Corporation, claimed at an International Metals Conference here, reports Reuter.

Mr. Duncan said: "There is no question that costs have gone through the sound barrier." The price of lead would tend to escalate, along with other metals and would not be as flat in price as it was in the past.

Discovery of the Missouri lead belt had restrained the rise in the U.S. lead price, while more automated mine and mill equipment had helped to keep lead production costs down.

Mr. Duncan forecast that U.S. lead consumption in 1976 would be a 1.37m. short tons, rising in 1980 to about 1.6m., similar to the peak 1974 figure. He predicted that producer lead stocks at the end of 1976 would be 60,000 tons, against an estimated 85,000 at the beginning of the year.

For zinc, Mr. Duncan forecast 1976 U.S. domestic consumption at 1,080,000 tons, against a smelter output of 620,000 and an import total of 440,000. He noted that closure of a number of smelters had made the U.S. more dependent on foreign zinc.

There was no new U.S. domestic zinc smelter capacity in the wings and no new zinc ore bodies had been found. Producer slab zinc stocks at the end of 1976 would fall to 70,000 tons, compared with an estimated 85,000 at the beginning of 1976.

Mr. Herman H. Kremer, executive vice-president of the metal mining division of Kennecott Copper, said the cost of environmental controls could affect the copper industry's growth rate.

His company faced a cost of $350m. for cleaning up four of its smelters. This compared with an estimate by the Environmental Protection Agency that it would take some $68m. to clean up all smelters in the U.S.

Mr. Kremer said stocks of copper and copper-containing products in manufacturers' hands, as well as at mill level, had declined to what appeared to be normal levels.

Statistics showed world stocks of copper to be at record highs, but this was not so because of disposals from the U.S.

Our Commodities Staff writes: While Mr. Duncan was talking of higher prices for lead, his company, St. Joe Minerals, confirmed that its U.S. domestic price was being cut by 1 cent, to 19 cents a pound.

This follows the price reduction by American Smelting and Refining on Monday. Amax and Cominco also announced a move down to 19 cents.

World cotton estimate cut

WASHINGTON, Dec. 17.

THE U.S. Agriculture Department has cut its estimate of world cotton production for 1975-76 by a further 1.8m. bales, to 55.9m., because of poor weather last month in several major northern hemisphere cotton-producing countries.

The estimate is for 7.3m. less than the previous season's record of 63.2m. bales, and the smallest world cotton harvest in five years.

Noting the fall in U.S. production, to 8.5m., it said the U.S. would account for more than 40 per cent. of the world decline in output.

In Khartoum, the U.S. has bought 25,000 bales of Sudanese long-staple cotton for $6.3m., says the Middle East News Agency. Reuter

Exports war with U.S. looms

BY ROBIN REEVES

BRUSSELS, Dec. 17.

BEEF HAS been added to the list of EEC exports to the U.S. threatened with the imposition of countervailing duties.

Mr. Pierre Lardinois, the Brussels Agriculture Commissioner, told the EEC Council of Agricultural Ministers here last night that export restitutions (subsidies) on beef could hardly be increased further because existing rebates were already under anti-dumping investigation by the U.S. Government.

If America continued to threaten EEC exports in this way, the Community would be "heading for a commercial war" with the U.S., he added indignantly.

Herr Josef Ertl, the German Farm Minister, said good relations with the U.S. were essential, but agreed that the EEC should not constantly be put in the dock. Export rebates and import levies were not comparable to countervailing duties, which were the worst form of protectionism.

The U.S. investigation was apparently triggered by the Iowa Farm Bureau, which complained earlier this month at the increase in the export rebate on beef, from 65 to 85 Units of Account per 100 kilos. After monetary and accession adjustments, this works out at some 28 U.S. cents a lb.

Ireland is the only country to be significantly affected in practice. It is the only Common Market member allowed, for public health and veterinary reasons, to export fresh and frozen meat to the U.S.

News of the U.S. investigation emerged in a debate on the 1976 import needs of EEC meat processing industries, which fall outside the general beef import ban.

The Commission proposed that, for this year, the import quota for meat processors be held at nil on the grounds that there were adequate supplies of suitable manufacturing beef inside the EEC.

However, Britain, Germany, Italy and the Netherlands all argued that the current intervention stocks were not of suitable quality.

Mr. Lardinois accused ministers of being inconsistent. They demanded, all at the same time, more imports, better beef prices for their own farmers and a low EEC farm budgetary cost. These were incompatible.

However, the "twinning" arrangement for overall beef imports which the Commission intended to take the place of Exim scheme in the New Year, would be deliberately geared to allow preferential access for processing grades, he said.

The Exim arrangement requires traders to export the same amount of beef as they import.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

TIN—Easier. Despite the modest rise in Penang overnight and influential buying here which was thought to have been on behalf of the buffer stock manager, prices turned easier owing to stale bull liquidation and pricing sales of cash metal. Turnover, 795 tonnes (Tuesday 755 tonnes).

Morning: Standard: Cash £3,075, 74, 70, 72: three months £3,150. High Grade: Untraded. Kerb: Standard: Three months £3,137, High Grade: Untraded. Afternoon: Standard: Cash £3,070, 70, three months £3,140. High grade untraded. Kerb.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3070 2	—6.5	3070 2	—9
3 months	3155-40	—9	3156-40	—9.5
Settlement	3072	—6	—	...
Standard				
New York	—	—	*303.5	...

Standard: Three months £3,137. High Grade: Untraded.

LEAD—Little changed. Prices ended showing little change on balance in modest two-way trading with the bulk of the 2,175-tonne turnover (Tuesday 3,050 tonnes) resulting from carries.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	163.5-.75	+1.25	164-.25	—.125
3 months	171.25-2	+1.6	171.5-2	+.375
Settlement	163.75	+1.25	—	...
N.Y. Spot	...	...	19-82½	...

Morning: Cash £164, 63.5, 63.75: three months £171.5, 71, 25. Kerb: Untraded. Afternoon: Cash £164: late-Dec. £163: three months untraded. Kerb: Three months £172.

ZINC—Drifted although losses were minimised by modest influential buying of cash metal which was thought to have been on producer account. Turnover, 1,625 tonnes (Tuesday 3,000 tonnes).

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	340.5-1	—.5	340.5-1	—.5
3 months	352.25	+.375	352-.5	—.5
Settlement	341	—.5	...	...
Prim. West	...	...	*381-.9	...

Morning: Cash £342, 41.5, 41: three months £352.5, 53, 52.25. Kerb: Three months £352.5. Afternoon: Cash £341: late-Dec. £342, three months £353. Kerb: Three months £352.5.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 1.2p an ounce higher for spot delivery in the London bullion market yesterday at 199.3p. U.S. cent equivalents of the fixing levels were: spot 403c, up 3.5c: three-month 409.4c, up 3.5c: six-month 417.1c, up 3.8c: and 12-month 435.3c, up 4c. The metal opened at 200-201p (402-406c) and in fairly quiet dealings improved to 200.9-201.9p (406½-406½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	199.3p	+1.2	201.15p	+2.2
3 months	204.9p	+1.4	206.85p	+2.5
6 months	211.8p	+1.4		
1 months	...	...	214.75p	+2.1
12 months	225.9p	+1.4	—	...

LME—Turnover 163 (164) lots of 10,000 ozs. Morning: Three months 205.3, 05.4, 05.3, 05, 05.1. Kerbs: Three months 205, 04.8, 4.8, 4.5. Afternoon: Three months 205.8, 05.7, 05.5, 06.4, 06.5, 06.7, 06.9. Kerbs: Three months 206.9, 07, 07.1, 07.4, 07.1, 07, 07.1, 07.5, 07.8.

COCOA

After an uncertain start, renewed buying lifted values into new high ground, with first hand sellers backing away, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.4 Contract			
December	746.0-48.0	+4.0	749.0-51.0
March	719.5-20.0	+7.5	720.0-01.0
May	695.5-96.0	+7.5	696.0-74.5
July	678.0-79.0	+4.75	679.0-62.0
September	662.0-68.0	+3.5	660.0-50.0
December	651.0-52.0	—6.0	654.0-56.0
March	645.0-46.0	+4.0	645.0-44.0

Sales: 2,776 (3,640) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 61.03 (60.33) U.S. cents per pound: indicator 15-day average 57.26 (56.53); 22-day average 58.29 (58.05).

FREIGHTS

DRY CARGO—A slight improvement in N. European grain interest. Cargoes were covered from U.S. Gulf to Antwerp/Hamburg range at $5.10 f.i.o. for Jan. and at $5 f.i.o. for Jan.-Feb., also a part cargo from the St. Lawrence to Poland at $12 f.i.o. for Dec.

A cargo of wheat was booked from Quebec to Karachi at $23.50 f.i.o. berth terms for Dec., and a cargo of maize ...

Time-charterers fixed a vessel of 25,230 long dwt for a voyage from Constanza to China at $3,400 daily Dec.-Jan. and a vessel of 35,350 long dwt for a voyage from Japan to U.S. Gulf at $5,02½ Dec.

COFFEE

Robusta futures lost £8 to £12 per tonne in the morning under profit-taking, Commission House and trade selling.

... at £85.50 per long ton and Apl.-June at £60. Average sellers quotations per long ton for delivery London area: Wheat milling Jan £66 and Jan.-Mch £67: denaturable Jan. £65, Jan. Mch £66. Barley feed Jan. Mch £65.

HGCA—Location ex-farm spot prices: Soft milling wheat—Hertford £63.00. Feed wheat—Hertford £62.50. Feed barley—Hertford £60.60.

SUGAR

RUBBER

SOYABEAN MEAL

GRAINS

WOOL FUTURES

MEAT/VEGETABLES

JUTE

... per cent., average price 36.7p (—8.4): Pig numbers up 6.3 per cent., average price £...(+0.36).

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Spanish: 2.60-3.40; Jaffa: Shamouti, Navels 2.65-3.50; Egyptian: 2.50. Satsumas—Spanish: Per tray 2.50-2.70. Clementines—Cypriot: 2.50-3.20; Moroccan: 3.20-3.60; Algerian: 3.20-3.40. Lemons—Italian: 3.60-4.00; South African: 3.30-4.00; Greek: 3.00-3.60; Cypriot: 3.20-3.60. Grapefruit—Cypriot: 2.20-3.20; Jaffa: 2.70-3.20; Florida: Ruby ...

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 162 tonnes, bringing the total for the week so far to 1,135 tonnes. Despite a further sharp advance in prices, dealings were curtailed. Modest inquiries came forward in East and West African and Middle Eastern qualities. F. W. Tattersall reports.

*

COPRA—Philippines: Jan-Feb. $207.50 reseller per tonne c.i.f. North European ports.

BOLIVIAN TIN MINERS STRIKE

LA PAZ, Dec. 17.

Miners at San Jose tin mine had voted to strike indefinitely, to press for the release of five union leaders arrested earlier, Bolivian Mineworkers' Federation sources said.

The five were held by police on charges of being involved in a plot to overthrow the Government of President Hugo Banzer, which they denied.

Some 1,500 miners at the State-owned mine, part of the Siglo Veinte complex south east of here, are on strike. Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 17 1975	+ or —	Month ago
Metals			
Aluminium (n)	£420	...	£396
Free Market (cif)	£555-545	...	£525-555
Copper			
Cash Wire Bars (n)	£566.5	+3.75	£575.25
3 months do. do. (n)	£586.75	+3.6	£595.25
Cash Cathode (n)	£553	+3.25	£562
3 months do. (n)	£573.25	+3	£582
Gold ... Troy oz.	$139.25	+0.25	$141.75
Lead Cash (n)	£164.125	—0.125	£184.375
3 months (n)	£171.75	+0.375	£171.625
Nickel (n)	£2,415	...	£2,381
Free Market (cif)(lb)	$1.85-2.0	...	$1.8-1.95
Platinum (troy oz.)	£76½-81½	...	£75½-88½
Free Market	£70.8	+0.1	£70.8
Quicksilver (76lb)(f)	$75-80	...	$80.85
Silver Troy oz.	199.3p	+1.2	212.4p
3 months	204.9p	+1.4	219p
Tin Cash (n) §	£3,071	—9	£3,087.5
3 months (n)	£3,139	—9.5	£3,158.5
Wolfram 22.04lb (cif)	£42.5-44	...	£42-44
Zinc Cash (n) §	£340.75	—0.5	£344.375
3 months (n)	£352.25	—0.5	£356.5
Producers (n)	£390	...	£390
Oils			
Coconut Malayan	...	...	...
Groundnut			
6½	£387	...	£400
Linseed Crude (n)	£377	...	£400
Palm Malayan (n)	£182	...	£188
Soyabean (n)	...	...	...
Seeds			
Copra Philippines	$207.5	...	$197.5
Groundnuts Nigerian	...	...	...
Linseed Can No. 1	£150	...	£150
Grains			
Barley EEC	£64.5	—1.25	
Home Futures	£62.1	—0.15	£59.85
Maize			
French No.3 Am.	£66.25	—0.1	£65
S.A. Yellow	£67.25	...	£71.5
Wheat			
No. 1 Red Spring	...	...	...
No.2 Hard Winter	...	...	...
Australian f.a.q.	...	...	...
English Milling	£67h	...	£64
Cocoa Shipment (n)	£740	—9	£652
Futures March	£719.75	+7.50	£615.25
Coffee Shipment (c)	...	...	...
Futures Mar. (n)	£773.5	—14	£709.5
Cotton 'A' Index			
cent.	58.35	+0.1	55.25
Jute UJABWC (d)	£195	...	£195
Rubber ... kilo	35.25p	—0.25	33.5p
Sisal EASL (n)	$600*	...	$600
Sugar (Raw)	£161	—2	£152
Wooltops 64s ... kilo	210p	...	202p
Cloves (Madagascar)	£2,480	...	£2,350
Pepper White ... ton	£930	—5	£935
Black ... ton	£760	...	£740

Prices per ton unless otherwise stated. * Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." : Unquoted. a Seller's quotation. h Jan.-March. n Metric tons. r Sept.

FINANCIAL TIMES

Dec. 16	Dec. 15	Month ago	Year ago
171.72	170.26	167.96	186.08

(Base: July 1, 1952=100)

REUTER'S

Dec. 17	Dec. 16	Month ago	Year ago
1170.0	1168.5	1126.7	1176.7

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Dec. 16	Dec. 15	Month Ago	Year ago
Spot	295.57	295.14	295.99	376.67
Futures	282.73	282.13	276.08	345.18

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 16	Dec. 15	Month ago	Year ago
Sple Comm'ty	751.1	746.5	736.5	809.1

(Dec. 31, 1931=100)

*

HIDES—Manchester. About unchanged. Second clear ox 31-35½ kilos, 31p per kilo: 26-30.5 kilos 34p: 22-25.5 kilos 37.3p. Light cows withdrawn at 32.6p. No calf offered.

U.S. Markets

Grains firm after cattle and feed reports

NEW YORK, Dec. 16.

GRAINS were firm on local and Commission House buying following constructive cattle and feed reports. Coffee again closed steady on carry-over of Commission House buying. Good Commission House buying held cocoa strong despite trade selling. Sugar closed weak on trade selling at the close, Bache reports.

Cocoa—Ghana spot 76 nom. (74). Bahia spot 69 (67). Dec. 66.75 (64.75). March 62.75 (60.90). May 59.70. July 58.20. Sept. 56.70. Dec. 54.90. March 53.50. May unq. Sales: 1,177.

Coffee—Dec. 85.50-84.00 (85.50). March 86.10-86.00 (85.45). May 86.35-86.25. July 87.35-87.50. Sept. 87.75-88.30. Dec. 88.75-88.80. Sales: 731.

Copper—Dec. 52.70 (52.50). Jan. 52.50 (52.60 settlements). Feb. 53.20. March 53.60. May 54.60 settlements. Sales: 1,252.

Cotton—March 59.65-59.75 (60.41). May 60.25-60.30 (60.75). July 60.70. Oct. 57.75-58.00. Dec. 56.75. March 56.75-56.90. May 56.85-57.20. Sales: 2,650.

ΦGold—Dec. 138.30 (137.60). Jan. 138.60 (137.90). Feb. 139.90. April 140.10. June 141.50. Aug. 143.00. Oct. 144.60. Dec. 146.30. Feb. 148.00. April 149.70. Sales: 1,257.

Greasewool—Spot 170.0 nom. (same). March 162.0-165.0 (162.0). May 160.0-164.0 (161.0). July 156.0-160.0. Oct. 157.0-160.0. Dec. 152.0-161.0. March 154.0-162.5. May 151.0 bid.

†Lard—Chicago loose 16 (same). NY prime steam 17½ traded (17½ nom.).

††Maize—Dec. 255 (250-250½). March 262½-263 (259½-258½). May 267-267½. July 270½. Sept. 267½-268. Dec. 261. March 266.

‡Platinum—Jan. 143.50 (143.50). April 146.00 (145.00). July 149.00. Oct. 152.00. Jan. 155.20. April 158.70. Sales: 45.

‡‡Silver—Spot 402.00 (391.00). Dec. 403.30 (394.10). Jan. 404.20 (395.00). Feb. 407.00. March 409.80. May 416.40. July 423.00. Sept. 429.60. Dec. 439.90. Jan. 443.20. March 450.00. Sales: 26,148.

*Soyabeans—Jan. 454-455 (445). March 464-465 (455). May 472-472½. July 481-482. Aug. 486. Sept. 492. Nov. 497½-497. Jan. 505.

ƀSoyabean Meal—Dec. 119.50-120.00 (117.00). Jan. 125.30 (124.70). March 131.40-131.20.

Soyabean Oil—Dec. 16.20-16.35 (16.00). Jan. 16.25-16.30 (16.10). March 16.25-16.35. May 16.45-16.50. July 16.70. Aug. 16.70. Sept. 16.70. Oct. 16.65-16.70. Dec. 16.65-16.70.

Sugar—Spot 14.15 (17.90). Jan. 13.50 nom. (12.87). March 13.77-13.65 (11.97). ...

FOODS LEADING UPSWING

PERSONAL

BOND DRAWINGS

CHILEAN EXTERNAL LONG TERM DEBT—LAW NO. 8962

CHILEAN 4½% GOLD LOAN 1889

NOTICE IS HEREBY GIVEN that a Drawing of Bonds took place on 3rd December 1975 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public when the following bonds were drawn for redemption at par on 2nd January 1976.

Bonds of £500 nominal capital each Numbers 17715, 17779.

Bonds of £100 nominal capital each Numbers 9669, 9802, 10006, 10305, 10576, 10665, 10908, 10919, 11141, 11564, 11841, 11842, 12376, 13000, 13436, 13955, 14227, 14955, 16475, 16571, 16713, 16786.

Bonds of £20 nominal capital each Numbers 166, 424, 632, 837, 1376, 1377, 2161, 2226, 2408, 2804, 3283, 3826, 3886, 4303, 4780, 5110, 5511, 5547, 5548, 6102, 6343, 6933, 7056, 7401, 7718, 7830, 8314, 8439, 8508, 8690, 8691, 8963, 9055, 9138, 9261, 9266, 9638.

Bonds amounting to £4,300 nominal capital.

K. F. C. Baker, Notary Public

Payment of the above bonds when presented at the New Issue Department of Midland Bank Limited for redemption must bear the coupon dated 1st July ... and all subsequent coupons otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

Special Claim Form can be obtained from New Issue Department.

A minimal interval of four clear days will be required for examination.

Midland Bank Limited, New Issue Department, Mariner House, Pepys Street, London EC3N 4DA.

CHILEAN EXTERNAL LONG TERM DEBT—LAW NO. 8962

CHILEAN 4½% BONDS 1893

NOTICE IS HEREBY GIVEN that a Drawing of Bonds took place on 3rd December 1975 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public when the following bonds were drawn for redemption at par on 1st January 1976.

Bonds of £100 nominal capital amounting to a total of £1,500 Numbers 536, 970, 1398, 1980, 2372, 3304, 3314, 3940, 4352, 4353, 4777, 4857, 5043.

K. F. C. Baker, Notary Public.

Payment of the above bonds when presented at the New Issue Department of Midland Bank Limited for redemption must bear the coupon dated 1st July 1976 and all subsequent coupons otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

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Midland Bank Limited, New Issue Department, Mariner House, Pepys Street, London EC3N 4DA.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early firmness but enthusiasm fading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 17.

THE TREND remained firm on Wall Street to-day, although enthusiasm was fading.

At 1 p.m. the Dow Jones Industrial Average was up 0.08 at 844.38, after rising 2.44 to 846.74, and the NYSE All Common Index was 3 cents better at $46.87, after 147.01, while advances led declines by a narrowing three-to-two margin. Trading volume decreased 620,000 shares to 9.81m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Analysts attributed the firmness to several factors, including spillover buying from yesterday's session, year-end reinvestment following tax selling and renewed confidence in the economy.

American Telephone eased $¼ to $50¾, following earnings of $806.7m. ($796.1m.) for the three months ended November 30.

Cone Mills rose $1 to $35¾, as did Johnson and Johnson $1 to $91, Standard Oil Ohio $1 to $68¼ and Unilever $1 to $44¾.

May Department Stores improved $¾ to $47½ and Wm. Wrigley also gained $1¼ to $64¾.

Jim Walters gained $1½ to $35¾, Hughes Tool $1 to $41½, Dow Chemical $1 to $93¼, Phelps Dodge $1¼ to $35¾, Manufacturers Hanover $1 to $28¼, United Nuclea $1¼ to $15¾.

The American SE Market Value Index moved up 0.42 to 82.73, although declines led advances by 234-to-213. Trading volume decreased 140,000 shares to 1.04m., compared with 1 p.m. yesterday.

strike order taken by Bourse Employees Union Representatives.

SWITZERLAND — Generally firmer in quiet activity.

Leading Banks firmed, led by Bangesellschaft. Financials were steady.

Swissair Bearer rose Frs.8 to 460, Union Bank Frs.30 to 3,230 and Alusuisse Bearer Frs. 20 to 1,000.

State Bonds were quietly steady.

Dollar stocks moved higher in rather active trading, Dutch Internationals were quietly steady, Germans generally firmed slightly. Deutsche Bank AG were officially listed for the first time, quoted at Frs. 336 cash.

AMSTERDAM—Strongly higher in active trading

Akzo rose Fls.0.40, Philips Fls.0.40, Royal Dutch Fls.0.60 and Unilever Fls.1.

Banks firmed, with Amsterdam-Rotterdam Bank up Fls.1.10. In Insurances, Nationale-Nederlanden gained Fls.2.20 on speculations about an impending stock bonus. Transportations rose, with Shipping Union up Fls.1.70, Van Ommeren Fls.5, KNSM Group Fls.1 and KLM Fls.1.10.

Dutch Industrials were better. Van Gelder Paper Mills improved Fls.2 and Heineken Beer Fls.1.7.

State Loans firmed slightly, buoyed by the 8.5 per cent. State issue open for tender to-day and expected to be issued at par.

BRUSSELS—Mixed in continued calm trading.

Steels were mostly higher, Metals mixed, as were Chemicals. Oils steady, Holdings little changed, while Electricals and Utilities were narrowly irregular.

U.S. shares were mostly higher, South African Gold Mines eased, French shares steady, Dutch and German sectors modestly higher.

COPENHAGEN—Mixed in fair dealings. Banks were generally slightly higher, as were Industrials, while Communications, Commodities and Shippings were mixed.

OSLO—Bankings and Shippings were quiet, while Insurances and Industrials were slightly steadier.

GERMANY—Shares closed at, or near, the day's highs, following strong professional, domestic and foreign investor interest.

Banks advanced, with Deutsche Bank up DM4.20. Electricals gained ground—Siemens put on DM5. Chemicals were higher across the board.

Motors were strong. VW rose DM3.50 to DM137, Daimler DM4 and BMW DM5. Machine makers were all substantially higher. Steels gained ground and Metals were better.

Minings were firmer. Utilities rose an average DM2, Stores improved and Breweries were steady.

MILAN—Higher over a broad front in more active trading at the beginning of the new Account.

Bonds were quietly steady.

VIENNA—Irregular trend.

JOHANNESBURG—Gold shares firmed on renewed interestd from London. Financial Minings followed Producers.

Platinums also firmed but Coppers eased. Other Metals were harder. De Beers Deferred gained 13 cents to R3.40 on a price increase for rough gemstones by the Central Selling Organisation.

Industrials were narrowly mixed.

HONG KONG—Small gains in moderate trading.

Hong Kong Bank were up 10 cents to $HK18.30, Hong Kong Land 15 cents to 6.85, Hutchison 3 cents to 1.79, Jardine 10 cents to 22.60, China Light 10 cents to 16.00 and Hong Kong and Kowlon Wharf 20 cents to 12.60.

TOKYO—Market lost heavily under selling pressure, with dealers discouraged by the slow recovery of the domestic economy. Volume 180m. (same) shares.

Eidai shed Y5 to Y190 on a plan to pass the dividend for the current term.

Constructions, Textiles, Foods, Ceramics, Electricals, Motors and Shippings lost ground.

AUSTRALIA—Prices fell on sustained selling for the third consecutive session.

BHP gave way 16 cents to $A6.74 after reporting lower steel and oil output for November.

Pancontinental, which yesterday announced it could be mining at Jabiluka by 1979, firmed briefly to $A9.40 only to finish 10 cents down at $A9.10.

Utah closed unchanged at $A9.40 after $A9.60 on the parent company reporting a $A100m. net profit for the year.

Oils were universally weak, with Woodside Burmah shedding 8 cents to $A1.29.

Lend Lease firmed 10 cents to a year's high of $A2.85.

Bank of Wales dipped 10 cents to $A6.50.

OTHER MARKETS

Canada remains mixed

Canadian Stock Markets continued mixed in moderate trading yesterday morning.

The Industrial Share Index rose 0.27 to 172.81, Utilities gained 0.41 to 124.93 and Papers put on 0.21 to 95.87, but Golds gave way 3.38 to 237.20, Base Metals eased 0.15 to 72.43, Western Oils lost 0.65 to 198.71 and Banks shed 0.41 to 248.96.

Royal Bank were off $¼ to $29¼ and Bank of Nova Scotia $¾ to $40¾.

Shell Canada moved up $¾ to $15¾, Bell Canada $¼ to $42¾ and Canadian Pacific Investments $¾ to $16½.

PARIS—Generally steady with the lower French Bank base rate helping sentiment.

Rubbers and Chemicals were mixed.

Germans firmed. Americans and Coppers gained ground, Oils were steady, while Golds weakened.

No trading is expected on the Paris Bourse today following a

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
Dec. 16	68.21	165.52	844.50	81.35	18,350
15	68.16	164.54	836.69	81.13	13,960
12	68.09	164.72	852.81	81.00	13,100
11	68.15	165.11	852.73	80.94	16,300
10	68.17	165.07	855.99	81.03	15,680
9	68.29	162.55	824.15	80.65	16,040
8	68.39	163.14	821.63	80.66	14,160
5	68.42	163.34	818.80	80.91	14,060
4	68.37	164.90	828.11	80.71	16,580
3	68.32	165.25	825.49	81.06	21,320
2	68.36	167.25	843.20	82.63	17,930
1	68.61	169.49	856.34	82.88	16,060
Nov. 28	68.64	169.29	860.67	83.27	12,870
26	68.65	169.00	858.55	83.17	18,780
25	68.70	162.84	856.40	83.06	17,490
24	68.67	168.55	845.64	82.39	15,950
21	68.78	170.60	840.76	82.68	14,110
1975 High	69.92 (4/4)	174.45 (18/11)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (22/4/42)	—

+ Excluding bonds.

IND. DIVIDEND YIELD p.c.

Dec. 12	Dec. 5	Dec. 13 1974
4.49	4.57	6.36

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Dec. 16	Dec. 15	Dec. 12	Dec. 11	Dec. 10
51.24 (15/7)	37.06 (2/1)	46.84	46.58	46.26	46.29	46.40

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,902	965	467	470

	Dec. 16	Dec. 15	Dec. 12	Dec. 11	Dec. 10
New Highs	15	5	8	10	6
„ Lows	18	25	18	20	25

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Dec. 16	Dec. 15	Dec. 12	Dec. 11	Dec. 10
96.80 (15/7)	62.20 (2/1)	82.31	81.90	81.92	81.72	81.58
Volume (000's)		2,150	1,736	1,710	1,880	1,880

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Dec. 16	99.83	88.93
15	98.64	88.09
12	98.33	87.83
11	98.32	87.80
10	98.65	88.68
9	97.76	87.80
8	97.46	87.07
5	97.13	86.82
4	[illegible]	[illegible]
3	[illegible]	[illegible]
2	[illegible]	[illegible]
1975 High	107.40 (15/7)	95.91 (15/7)
1975 Low	77.71 (2/1)	70.74 (2/1)

* 425 Industrials. † 425 Industrials, 30 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Dec. 16	Dec. 3	Dec. 11 1974
Ind. Ord. yield p.c.	3.81	3.84	5.02
Ind. Ord. p/e ratio	12.16	12.09	7.43
Long-term Govt. Bds. per cent.	8.12	8.06	8.22

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	397,500	23¼	+⅞
Utah International	273,100	49¼	+¼
Amer. Tel. and Tel.	233,800	50¾	+⅜
General Electric	181,600	46¼	+1
Polaroid	172,600	37	+1
CITI	146,700	37¼	+¾
Gulf Oil	134,500	20	+⅜
General Motors	124,100	57¼	+¾
Sony	121,100	8½	+⅛
Fed. Nat. Mort.	112,900	14¼	+⅛

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Dec. 11	Dec. 4	Nov. 27
On Dividends	6.04	5.92	6.34
On Earnings	9.99	9.48	10.54

SYDNEY ALL ORD. INDEX

Dec. 17	Dec. 16	High 1975	Low 1975
430.42	433.69	440.79 (5/12)	283.66 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Dec. 17	Dec. 16	High 1975	Low 1975
312.46	314.06	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ◆

Dec. 17	Dec. 16	High 1975	Low 1975
335.53	332.56	341.57 (4/6)	150.42 (9/1)

SINGAPORE INDEX §

Dec. 17	Dec. 16	High 1975	Low 1975
229.09	227.75	268.69 (11/3)	153.26 (2/1)

TORONTO

INDUSTRIAL INDEX

Dec. 16	Dec. 15	1975 High	1975 Low
172.54	172.02	196.50 (15/7)	139.42 (2/1)

MONTREAL

INDUSTRIAL INDEX

Dec. 16	Dec. 15	1975 High	1975 Low
175.32	177.37	203.61 (15/7)	150.35 (2/1)

COMBINED INDEX

Dec. 16	Dec. 15	1975 High	1975 Low
174.96	174.34	196.00 (15/7)	150.03 (2/1)

JOHANNESBURG

	Dec. 16	Dec. 12	1975 High	1975 Low
Industrials	203.5	203.6	233.9 (16/7)	183.2 (23/1)
Gold	208.4	203.3	378.1 (2/1)	190.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

EUROPE

	Dec. 17	Previous	1975 High	1975 Low
Belg'm (a)	104.18	104.65	111.21 (9/5)	89.07 (2/1)
Denm'k (b)	100.77	100.62	100.22 (15/5)	75.06 (13/1)
France (c)	68.3	68.0	72.1 (23/5)	51.70 (2/1)
Germ'y (d)	752.2	747.4	757.6 (28/4)	575.5 (2/1)
Holland (e)	95.0	94.1	107.6 (24/5)	85.2 (2/10)
Italy (f)	53.78	52.92	82.66 (10/3)	52.41 (17/10)
Spain (g)	105.58	105.98	110.96 (19/9)	91.85 (19.9)
Sweden (h)	356.15	355.98	380.46 (23/5)	310.06 (9/1)
Switz'rl'd (i)	275.3	270.5	306.1 (12/11)	206.5 (2/1)

Indices and base dates (all base values 100): (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (c) Paris Bourse 1961. (d) Commerzbank December 1953. (e) Amsterdam Industrial 1970. (f) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

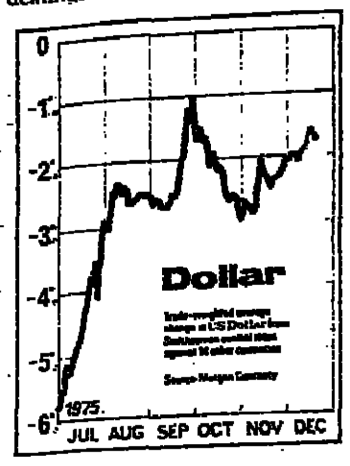
Sterling firmer

Sterling was generally firmer against the U.S. dollar in the foreign exchange market yesterday and remained unchanged in terms of major currencies in general. Business was fairly quiet, however, and the Government's announcement of selective import controls had little effect on the market. The pound opened at $2.0180-2.0190 and touched $2.0235-$2.0245 before closing at $2.0215-$2.0225, a gain of 35 points on the day.

Sterling's trade-weighted average depreciation, since the Washington Currency Agreement of December, 1971, was unchanged at 30 per cent., and remained at that level throughout.

The U.S. dollar finished at its lowest levels of the day against most major European currencies. The German mark improved to DM2.6290, compared with DM2.6347½ on Tuesday. The dollar's trade-weighted average depreciation since the Washington Agreement as calculated by Morgan Guaranty of New York on noon rates widened to 1.77 per cent. from 1.72 per cent. previously.

Gold gained $¼ to close at $138¾-$139¼, but trading remained fairly quiet, with the metal tending to improve during the afternoon, after the New York market had opened. The krugerrand finished at $142½-144½ (£70½-71½). In the domestic market. The coin's premium over its gold content was almost unchanged at 3.05 per cent. for domestic delivery, but widened slightly to 2.69 per cent. from 2.52 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Dec. 16	Dec. 15
Sterling	0.579589	0.579499
U.S. dollar	1.16880	1.16885
Belgian franc	46.3721	46.3917
Deutsche mark	3.08388	3.08167
French franc	5.23843	5.22530
Italian lira	800.102	799.902
Japanese yen	357.068	357.610
Dutch guilder	3.15576	3.15648
Swedish krone	—	5.16807

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 17	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf'rt	—	2.6305-15	58.98-59.05	6.64-65	5.320-325	97.63-78	100.07-17
N.York	37.92-94	—	22.35-36	2.521-525	2.0190-0200	37.02-04	37.96-98
Paris	169.495-596	4.4665-4752	—	11.71-.96	9.024-048	165.72-.11	169.575-975
Brussels	15.01-04	39.54-57	8.84-88	—	79.94-80.07	14.67-70	15.02-.5
London	5.31¼-32¼	2.0215-25	9.09¼-.05¼	79.-.80.0	—	5.44-45	5.31-.32
Am'erdam	102.33-38	2.6947-72	60.255-30	6.793 804	5.445 450	—	102.445-495
Zurich	99.91-02	2.6302 17	58.85-91	6.64-.65	5.319 323	97.79 71	—

U.S. $ in Montreal. U.S. $=101.42-44 Canadian cents. Canadian $ in New York $C=98.58-60 U.S. cents. U.S. $ in Milan 683.55. Sterling in Milan 1382.50. * Rates for Dec. 16

EURO-CURRENCY INTEREST RATES*

Dec. 17 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10½-11	4⅞-5⅛	7-8	5⅝-5⅞	3½-3¾	0-½
7 days notice	10⅝-11	5-5½	8-9	5⅝-5⅞	3½-3¾	1¼-1¾
Month	11-11⅛	5¼-6	9¼-9⅝	6⅜-6⅝	3¾-4	2-2½
Three months	11⅛-11⅝	6⅛-6⅞	9⅛-9⅝	6⅜-6⅝	3¾-4	3½-3¾
Six months	12-12¼	7-7¼	9¼-9¾	6⅛-6⅜	3¾-4	3½-3¾
One year	12⅛-12⅜	7⅝-8⅛	9¼-9¾	5⅞-5⅞	4-4¼	3¾-4

Euro-French deposit rates: short-term 8¼-8¾ per cent.; seven days' notice 8¼-8¾ per cent.; one month 8½-8¾ per cent.; three months 7-7½ per cent.; six months 8-8½ per cent.; one year 8½-8¾ per cent.

Longer-term Eurodollar deposits: two years 8¼-8¾ per cent.; three years 8¼-8¾ per cent.; four years 8¼-8¾ per cent.; five years 8¼-8¾ per cent. nominal closing rates.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5⅜-5⅝ per cent.; three months 5¾-6 per cent.; six months 6⅜-7 per cent.; one year 7¼-7½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Dec. 17 1975	Dec. 16
Gold Bullion (a fine ounce)		
Close	$138¾-139¼	$138½-
Opening	$138¾-139¼	$138-
Morning fixing	$138.75 (£68.695)	$138. (£68.7
Afternoon fixing	$138.85 (£68.653)	$138. (£68.7
Gold Coins, domestically		
Krugerrand	$142½-144½ (£70½-71½)	$142½ (£70½
New Sov'r'gns	$44¼-46¼ (£22-23)	$44½- (£22-2
Old Sov'r'gns	$44¼-46¼ (£22-23)	$44½- (£22-2
Gold Coins, Int'n'nally		
Krugerrand	$142-144 (£70¼-71¼)	$141- (£70-7
New Sov'r'gns	$42½-43½ (£21-21½)	$42¼ (£20¾
Old Sov'r'gns	$42½-43½ (£21-21½)	$42¼ (£20¾
$20 Eagles	$219-222	$218-
$10 Eagles	$115-116	$112-
$5 Eagles	$72-75	$71-7

FOREIGN EXCHANGES

Dec. 17	Bank Rate %	Day's Spread	Close
New York	6	2.0180-2.0245	2.02
Montreal	8½	2.0480-2.0525	2.04
Amst'rdam	4½	5.44-5.46	5.4
Brussels	6	79.80-80.30	79.
Copenh'gen	7½	12.47-12.52	12.
Frankfurt	3½	5.31-5.34	5.31
Lisbon	6½	54.70-55.15	54.
Madrid	7	120.60-120.95	120.
Milan	6	1,379-1,385	1,3
Oslo	6	11.23-11.28	11.2
Paris	8	9.02-9.04	9.0
Stockholm	6	8.81-8.84	8.8
Tokyo	6½	615-622	6
Vienna	6	37.40-37.70	37.6
Zurich	3	5.30½-5.33½	5.3

* Basic discount. † Rates given convertible franc; closing financial 52.85-52.95

OTHER MARKETS

		*Notes Rates
Argentina	117.20-117.40	Argentina
Australia	1.5806-1.6168	Austria
Brazil	16.19-16.58	Belgium
Finland	7.79-7.81	Brazil
Greece	71.038-72.779	Canada
H'ngKong	10.18¾-10.50	Denmark
Iran	138-140	France
Kuwait	0.585-0.595	Germany
Luxemb'g	79.85-80.05	Greece
Malaysia	5.2135-5.2835	Italy
N. Zealand	1.9815-1.9477	Japan
Saudi Arbia	7.05-7.15	Nether'ds
Singapore	5.0315-5.0485	Norway
S. Africa	1.7479-1.7655	Portugal
U.S.		Spain
Canada		Switz'land
		U.S.

* Based on rates quoted by London dealers. Other rates may be given. * Rate given is the free rate. Special financial rate for ...

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—113½% (114%).

NEW YORK

Stock	Dec. 16	Dec. 15
Corning Glass	42⅞	42⅝
CPC Int'nation'l	43⅛	42¼
Johns Manville	23¾	23⅛
Johnson Johnson	90	89

CANADA

GERMANY ◆

Dec. 17	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	87.8	+1.8	—	—
Allianz Versich.	468	+4	17	1.8

MILAN

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND ◆

AMSTERDAM

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO ¶

Source: Nikko Securities Tokyo.

STOCKHOLM

OSLO ◆

JOHANNESBURG

MINES

INDUSTRIALS

SPAIN ▼

NOTES: Overseas prices premium. Belgian dividends are after withholding tax. ◆ DM50 denom. unless otherwise stated. ▼ Kr.100 denom. unless otherwise stated. ◆ Frs.500 denom. unless otherwise stated. ¥ Yen 50 denom. unless otherwise stated. ‡ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs. p Including Unilever div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. ‖ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ◆ Interim since increased.

STOCK EXCHANGE REPORT

Another quiet day in markets but tone remains firm

Index up 0.5 at 368.3—Trafalgar House "rights"

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 1	Dec. 10	Dec. 11	Dec. 22
Dec. 12	Dec. 23	Dec. 24	Jan. 7
Dec. 29	Jan. 8	Jan. 9	Jan. 20

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets continued in firm vein yesterday, but once again trading conditions were extremely quiet. Apart from the lack of activity during the run up to the Christmas holiday, interest was further restrained by the announcement of a £25.5m. "rights" issue from Trafalgar House Investments and by news of the placing of nearly 14m. shares in P & O. Leading equities fluctuated within narrow limits and final quotations were a shade harder on balance. Up 1.1 at its best of the day at 1 p.m., the FT-30 share index closed a net 0.5 higher at 368.3. The Government's economic package came too late to have any impact, although one or two sectors such as television and carpet shares were marked up a few pence or so in "after-hours" trading.

British Funds also made a little further progress, closing with widespread gains ranging to ⅜ which left the Government Securities index up 0.13 more at 58.64.

Gilts rise continues

Trading statements and bid developments were mainly responsible for several outstanding features in second-line equities. Overall, small gains preponderated, this being reflected in the 2-1 majority of rises over falls in FT-quoted Industrials and an improvement of 0.3 per cent. to 154.35 in the FT-Actuaries All-share index. Official markings of 4,874 compared with 4,544 on Tuesday and 5,637 a week ago.

The upward momentum in Gilt-edged gathered pace and, though gains were heavier among the mediums and longs, it was the shorter end of the market which attracted the larger trade. Treasury 10½ per cent., 1979, "A," the short "tap," was again persistently bought and the Government broker finished supplying stock at 95⅞, leaving the market to presume he expected subsequent bids of 95¹¹⁄₁₆. Low-coupon shorts were neglected, but mediums and longer-dated issues met with a fair demand which left general improvements extending to ⅜. Mr. Healey's economic measures came too late for a detailed assessment but it was thought most probable that sentiment would benefit. Corporations passed another extremely slow session, recording few movements of note.

A recovery in the investment currency market failed to hold and the premium closed a further ⅞ lower at 113¼ per cent., after 115 per cent. Yesterday's SE conversion factor was 0.6013 (0.6054).

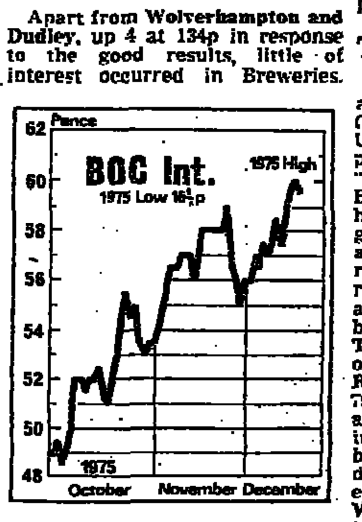
Among Recent Equities, Hughes Tools improved ⅞ to £33¼, while Brazil Fund S.A. firmed ½ to $12¾.

Home Banks erratic

The Banking sector remained extremely quiet, although a little fresh buying interest took Home Banks higher at the start before drifting back later. Midland were finally 3 up at 285p, after 287p, and Barclays 2 firmer at 295p, after 297p, while Lloyds, 232p, after 235p, and National Westminster, 240p, after 242p, showed no alteration on balance. Among little-changed Overseas issues, Australian and New Zealand put on 4 to 432p, but National Bank of Australasia shed 3 to 290p. There were a few volatile issues among Merchant Banks in thin markets: Arbuthnot Latham, 170p, retrieved the previous day's loss of 10, but Brown Shipley weakened that amount to 150p. Schroders moved ahead to 400p, but came back smartly on late selling to finish a net 5 down at 375p. Hire Purchases showed little change, the Chancellor's late announcement of easier controls having already been discounted. UDT were steady at 17p, while Lloyds and Scottish, 75p, after 76p, and Wagon Finance, 34p, both closed just a penny firmer.

Insurances moved only slightly in an idle trade.

Apart from Wolverhampton and Dudley, up 4 at 134p in response to the good results, little of interest occurred in Breweries.



Elsewhere, Distillers continued firmly at 130p, up 1, ahead of to-day's interim results, while fresh support left A. Bell another 4 higher at 146p.

R. C. Janes featured Buildings with a rise of 46 to 170p on the agreed bid from Barratt Developments, 8 cheaper at 112p, the terms currently placing a value on Janes of 175p a share. H. and R. Johnson—Richards Tiles improved 20 to a 1975 peak of 217p on the substantially improved first half profits, while Press comment and contract news helped R. Costain move up 4 to 240p. Tarmac advanced 9 to 177p, while Orme Developments, 41½p, and Tunnel "B," 186p, put on 2 and 4 respectively. Timbers made headway, the newly-formed Magnet and Southerns closing 10 higher at 173p.

Stewart Plastics featured Chemicals, closing 16 easier at 82p, after 75p, on the announcement in the interim report that the merger talks with Bowater had been terminated. Elsewhere, ICI moved up 3 more to a 1975 peak of 320p.

Thorn Elect. improve

Television shares showed only a muted late reaction to the Chancellor's moves to aid the U.K. television industry, with prices being raised just a shade "after-hours" on the news. Thorn Electrical, already firmer at 204p, hardened to 206p for an overall gain of 6. Decca, 265p, after 268p, and the "A," 254p, after 258p, recorded net gains of 5 and 2 respectively in thin markets, although this all took place before Mr. Healey's statement. Telefusion, 26p, and the "A," put on a penny apiece, while Rediffusion finished 2 firmer at 79p. Elsewhere, Muirhead attracted further speculative buying and advanced afresh to 117p, before closing 4 higher on the day at 112p. Racal Electronics edged up 2 more to 236p and Westinghouse Brake put on 1½ to 36p. In marked contrast, Normand Electrical receded 5 to 32p, the interim profits advance being overshadowed by the warning on second-half prospects. Initially firmer at 11p, Dubilier came back after the results to 10½p, unaltered on balance. Leading issues were idle and closed a shade easier for choice after narrow fluctuations.

Leading Stores attracted only a small business, but closed at, or near, the day's best. F. W. Woolworth responded to a Press mention with a rise of 2½ to a 1975 peak of 70½p. House of Fraser were raised 3 to 73p, while Debenhams, 84, and Marks and Spencer, 96p, both closed a penny harder. British Home Stores edged up 2 to 335p, but Burton "A," at 49p, gave up a penny of the previous day's rise of 5 which followed the satisfactory preliminary statement. Mail Orders had an easier bias, Empire Stores and Freemans (London) both closing 2 cheaper at 70p and 147p respectively.

Many movements in Engineerings were the result of trading announcements. CompAir's annual results were particularly pleasing and brought a rise of 5½ to 71½p, while Redman Heenan rose 3 to 19p, after 20p, on the much improved figures. Braithwaite, 95p, and Braham Millar, 30p, were both 2 higher following interim results, while Expanded Metal picked up 3 to 60p on news that it had acquired exclusive licence rights of the Explosafe system. Lesbrook, however, slipped 1 to 3p, being unsettled by the heavier first-half loss. Withdrawal of the Amalgamated Industrials offer, for the time being at least, saw Herbert Morris lose 1 more to 64p. Elsewhere, the "rights" issue failed to stimulate Lake and Elliot, slightly easier at 66½p, after 68p, while a bear squeeze was held responsible for a gain of 2½ to 95p in Stone-Platt. Among smaller-priced issues, M. Mole rose 2 to 15p. Leading Engineerings settled a couple of pence firmer and Westland, awaiting preliminary figures, were similarly better at 60p.

Foods spent a quiet session. Unigate moved up 1½ to 56½p on the interim statement, while higher interim earnings took Batleys of Yorkshire up 3 to a 1975 peak of 45p. Cavenham closed unchanged at 129p, after 130p, in front of to-day's interim statement; pre-tax profits in the region of £17m. to £19m. are expected. Tate and Lyle ended a penny better at 240p, after 242p, after news of the company's moves to acquire complete control of the U.K.'s largest public storage company for bulk liquids. Linfood, still reflecting trading news, hardened 2 more at 234p.

Wilkinson Match up

Miscellaneous Industrial leaders followed a similar pattern to Tuesday, closing below the day's best with minor gains after another thin trade. Wilkinson Match featured with an advance to 145p, before closing a net 5 up at 141p; the interim results are due January 6. Unilever were 4 better at 416p and Glaxo 5 firmer at 375p, while Beecham ended 2 harder at 339p, after 341p. Elsewhere, Trafalgar House initially reacted to 105p on the "rights" offer, but then improved to 112p before closing a net 2 higher at 110p on consideration of the accompanying results and dividend forecast. The preliminary results left LIndustries 4 firmer at 56p, while United City Merchants, still on the chairman's statement, added 2 more at 31p. Avon Rubber found favour and gained 4 at 51p, while Steel Bros. put on 5 to 225p and Silentbloc 3 to 35p. Norton and Wright closed 2 better at a peak for the year of 57p awaiting to-day's interim figures.

Motors and Distributors shrugged aside the Government's critical "Think-Tank" report and the controversy raging over the Chrysler (U.K.) rescue plans. Associated Engineering, still reflecting trading news, hardened 1½ more to 77½p, while Dunlop, 65p, and Lucas Industries, 176p, put on a penny apiece. Higher earnings took Bluemel Bros. up a penny to 38p, but British Car Auction eased 1½ to 42p on further consideration of the interim statement.

Newspapers improved sporadically, but Routledge and Kegan Paul eased 1 to 41p following lower first-half profits. Paper/Printings were just as featureless with Jacksons Bourne End marginally firmer at 40p despite poor interim figures.

Property Hldg. higher

Property leaders experienced very slack trading conditions and barely stirred from overnight levels. MEPC softened a penny to 68p in front of to-day's preliminary results. Secondary issues maintained a firm appearance and were notable for a fresh rise of 7 to 197p in Property Holding and Investment, making a two-day advance of 14 on satisfaction with the good half-time statement. The half-year profits improvement continued to impart firmness to Warnford Investments, 3 higher at 165p. Buyers showed renewed interest in Samuel Properties, which appreciated 2½ to 28p, while similar gains occurred in Imry Property, 143p, and Anston Holdings, 33p. Dorrington Investments firmed a penny to 18p, but Town and Commercial eased that amount to 11½p.

Oils repeated their most recent performances, edging forward in slow trading to close a few pence higher. British Petroleum were finally 5 dearer at 565p and Ultramar 2 harder at 196p, but Shell ended unaltered on balance at 366p. Despite the continuing downward trend in the investment currency premium, Royal Dutch picked up ¼ to £31⅞. Elsewhere, Oil Exploration enjoyed a limited demand which nudged the price up 2 to 61p and Pan Ocean rose 40 to 860p on domestic market influences. Woodside-Burmah slipped again, still on profit-taking, losing 2 more to 133p.

Overseas Traders provided the occasional small improvement. S. and W. Berisford put on 3 to 135p awaiting to-day's annual results, while Mitchell Cotts hardened a penny to 56½p following the chairman's statement.

Small mixed movements littered Trusts and Financials. S. Pearson were dull at 122p, down 5, while Jardine Securities declined 6 to 117p. Estate Duties were lowered 5 to 263p, but Lampa Securities hardened 2 more to a 1975 peak of 92p. Among smaller-priced issues, Lubok Investment hardened a penny to 13p and Parambe 1½ to 11½p.

Interest in Shippings was largely confined to P. and O. Deferred, which closed 3 easier at 96p, after 95p, on news that a shareholding of nearly 14m. shares had been placed among a number of institutional investors at a price of 89½p a share. Similar losses were sustained by Furness Withy, 173p, and Ocean Transport, 124p.

Carpet shares made late response to the abolition of HP controls, Carpets International closing 6 up at 82p, while Bond Worth, 49p, and Homfray, 73p, both gained 2. Shaw Carpets improved 1½ to 22½p. Textiles otherwise registered little joy over Mr. Healey's announcement of selective import controls on cotton yarn. Courtaulds ended 1 harder at 147p, after 148p, Hollas 3 higher at 37p and Textured Jersey 1½ better at 16p. Tobaccos were again unimpressive.

Clarification of the position regarding dealing for "Cape delivery" made hardly any impact on South African Industrials, which closed little changed.

Australian losses

The weakness of Australian mining issues in overnight home markets, which gave ground for the third consecutive trading day since the Federal election, was again reflected here.

Also affecting sentiment was the further easing of the investment dollar premium, but falls in share prices were later reduced by London buying.

Pancontinental opened at 950p and fell to 925p before closing unchanged on balance at 940p; MIM Holdings recovered from 208p to close 2 easier at 210p, and Western Mining were 3 down at 145p, after 144p. On the other hand, Peko Wallsend rose 10p to 455p and Whim Creek gained 2 to 42p.

The late rally in the bullion price, which was finally 25 cents higher at $139.25, after being $138.75 at the morning fixing, came too late to affect Golds in which jobbers reported sizeable selling orders.

Prices consequently gave ground, but falls were cushioned by Cape and local buying at the lower levels. The Gold Mines index gave up 4.3 to 221.1.

Among the heavyweight issues, Western Holdings fell a point to £22 and President Brand lost ¼ at £15¼, both prices being 1975 lows.

Financials, with the exception of De Beers which advanced a further 7 to 293p on consideration of the diamond price increase announced after market hours on Tuesday, lost ground reflecting the trend in Golds and the investment premium.

Coppers were mixed, while Platinums eased. Elsewhere, Irish buying left Anglo United [illegible] and Westfield Minerals [illegible] both 7 higher, but Sabina fell 8 to 97p on Canadian influences. Murchison advanced to a year's peak of 870p on Cape buying before closing at 820p for a net rise of 50.

FINANCIAL TIMES STOCK INDICES

—	Dec. 17	Dec. 16	Dec. 15	Dec. 12	Dec. 11	Dec. 10	A year ago
Government Secs.	58.64	58.51	58.41	58.42	58.52	58.64	50.09
Fixed Interest	58.66	58.66	58.67	58.68	58.61	58.61	51.00
Industrial Ordinary	368.3	367.8	363.5	362.3	358.1	362.9	161.1
Gold Mines	221.1	225.4	225.9	225.5	234.1	231.1	388.8
Ord. Div. Yield %	5.69	5.71	5.76	5.80	5.87	5.79	12.53
Earnings Y'ld % (full) (a)	15.86	15.92	16.11	16.17	16.29	16.11	33.92
P/E Ratio (net) (a) (b)	9.18	9.14	9.03	9.00	8.95	9.03	4.12
Dealings marked	4,874	4,544	5,335	5,232	5,674	5,657	4,908
Equity turnover £m.	—	44.00	49.28	49.55	61.20	50.14	56.79
Equity bargains total	—	12,081	12,608	11,472	14,876	13,902	11,023

10 a.m. 368.4. 11 a.m. 369.1. Noon 369.4. 1 p.m. 368.9. 2 p.m. 369.5. 3 p.m. 368.5.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.70.
Basis 100 Govt. Secs. 15.10.26. Fixed Int. 1928. Ind. Ord. 1.7.35. Gold Mines 12.9.55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	377.8 (13/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	218.4 (1/12)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Dec. 17	Dec. 16
Daily—		
Gilt-Edged	149.7	137.2
Industrials	166.9	154.6
Speculative	34.5	35.6
Totals	110.9	103.4
5-day Av'r'ge		
Gilt-Edged	148.9	152.0
Industrials	175.0	179.6
Speculative	39.4	41.1
Totals	116.8	120.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed. Dec. 17, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Net)	Tues. Dec. 16 Index No.	Monday Dec. 15 Index No.	Friday Dec. 12 Index No.	Thurs. Dec. 11 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
CAPITAL GOODS (173)	139.20	+0.8	16.65	6.03	9.05	9.05	138.06	136.70	135.27	135.36	54.46	143.25	51.78	205.37	50.71
Building Materials (29)	136.51	+1.4	12.61	6.16	12.18	12.11	134.47	131.95	131.28	131.19	47.76	138.19	45.11	223.64	44.27
Contracting, Construction (23)	241.92	+0.4	14.54	3.88	10.65	10.65	241.02	238.73	237.49	236.60	81.37	255.54	74.74	389.51	71.48
Electricals (16)	241.13	+0.5	18.23	4.81	8.06	8.06	239.89	238.69	240.92	234.68	101.67	254.66	98.49	350.04	84.71
Engineering (Heavy) (13)	158.86	—	20.58	7.38	7.48	7.48	158.84	158.19	156.94	155.11	67.98	164.07	64.39	237.67	64.39
Engineering (General) (63)	121.99	+1.2	18.14	6.82	8.27	8.27	120.59	119.48	118.38	118.45	48.33	123.45	45.43	188.59	45.43
Machine and Other Tools (9)	49.08	+0.1	17.80	8.50	10.49	10.48	49.01	49.33	49.21	49.05	20.91	50.91	20.11	136.70	19.95
Miscellaneous (25)	118.63	−0.1	17.72	6.97	8.05	8.50	118.70	117.76	117.43	117.44	58.41	121.76	46.65	177.41	40.65
CONSUMER GOODS (DURABLE) (55)	115.62	+0.7	15.99	5.57	9.43	9.41	114.83	113.42	113.45	112.45	40.86	117.45	38.39	297.78	38.39
Electronics, Radio TV etc. (15)	130.42	+0.7	14.49	4.11	10.38	10.30	129.48	127.41	127.22	126.88	44.89	131.94	44.38	257.41	42.85
Household Goods (14)	165.17	−1.0	15.00	8.50	9.79	9.76	161.56	161.35	161.38	161.50	64.19	168.90	64.63	263.23	63.92
Motors and Distributors (27)	67.41	−0.5	18.85	8.95	8.15	8.16	67.06	66.36	65.96	65.28	25.44	70.25	19.91	170.59	19.91
CONSUMER GOODS (NON-DURABLE) (168)	146.21	−0.2	13.56	5.94	10.89	10.78	145.96	144.78	144.56	143.96	65.89	152.28	61.98	225.05	61.41
Breweries (15)	158.65	−0.7	13.20	6.59	11.49	11.49	159.81	159.60	159.70	160.36	78.11	172.53	75.58	281.87	69.47
Wines and Spirits (7)	161.00	+0.2	11.86	5.26	13.80	12.80	160.75	157.23	155.60	154.87	84.79	177.24	80.42	357.40	78.81
Entertainment, Catering (16)	186.23	−0.6	11.65	6.53	13.75	13.10	187.30	183.85	182.29	181.12	61.52	187.30	55.32	339.99	54.87
Food Manufacturing (22)	158.65	+0.3	15.39	5.16	10.45	10.27	158.48	157.44	156.96	157.50	64.85	166.80	69.03	211.55	59.78
Food Retailing (16)	143.64	+0.5	10.73	4.79	13.55	13.55	143.15	142.99	140.49	139.49	59.43	155.88	57.15	235.06	54.25
Newspapers, Publishing (15)	160.19	+0.2	14.26	6.51	10.50	10.50	159.91	159.05	158.06	158.57	59.03	161.95	55.08	350.28	55.08
Packaging and Paper (13)	101.96	−0.5	21.64	7.49	6.88	6.88	101.47	100.03	100.02	99.12	46.86	107.12	43.46	135.69	43.46
Stores (33)	121.07	+0.5	12.47	5.59	12.27	12.27	120.47	119.70	120.59	119.62	56.88	133.96	52.63	204.39	52.63
Textiles (22)	160.51	−0.2	14.86	6.74	8.66	8.35	160.06	158.63	155.80	154.30	68.17	163.83	59.61	233.72	62.56
Tobaccos (3)	209.34	−0.3	16.19	6.44	9.40	9.40	209.63	207.99	207.60	206.46	117.25	218.05	109.92	339.19	94.34
Toys and Games (6)	65.21	−0.3	22.62	6.29	6.18	5.18	65.00	61.39	60.52	60.35	21.81	65.76	20.92	135.78	20.92
OTHER GROUPS (94)															
Chemicals (24)	195.31	+0.2	14.24	4.93	9.64	9.64	194.91	193.09	192.23	190.79	75.66	195.31	73.14	301.92	71.20
Office Equipment (10)	86.53	—	15.44	6.03	9.08	9.08	86.29	85.54	85.46	86.40	46.10	104.78	45.54	246.06	45.54
Shipping (12)	356.96	−2.1	21.12	6.60	6.06	5.82	364.59	361.27	356.59	355.15	218.55	404.19	194.99	517.00	80.40
Miscellaneous (48)	150.22	+0.4	16.17	6.85	9.19	9.19	149.77	148.33	148.13	147.36	68.31	156.56	60.39	253.53	60.39
INDUSTRIAL GROUP (496)	146.78	+0.3	14.89	5.87	9.85	9.80	146.31	144.99	144.67	143.87	62.67	151.53	59.19	220.17	59.01
OILS (4)	320.98	+0.5	15.58	5.02	7.12	6.58	319.53	318.10	317.32	315.71	120.02	353.16	[illegible]	441.66	87.23
500 SHARE INDEX	161.32	+0.5	15.01	5.74	9.51	9.06	160.77	159.43	159.06	158.21	67.59	167.07	64.49	237.95	63.49
FINANCIAL GROUP (100)	131.81	−0.3	—	5.40	—	—	131.37	130.07	130.17	130.61	59.11	148.45	56.50	241.41	55.88
Banks (6)	162.77	+0.4	17.90	4.96	8.55	8.53	162.06	160.09	161.19	162.10	66.51	177.21	62.44	295.71	62.44
Discount Houses (9)	164.13	+0.9	—	7.51	—	—	162.64	162.90	163.65	164.45	84.63	171.13	81.47	356.70	[illegible]
Hire Purchase (5)	104.60	+3.8	—	6.51	—	—	101.29	99.89	101.45	103.64	48.36	104.95	43.89	366.28	[illegible]
Insurance (Life) (9)	114.31	−0.1	—	5.98	—	—	114.37	115.86	113.04	113.21	46.67	129.31	44.88	194.46	44.88
Insurance (Composite) (7)	104.38	+0.1	—	6.54	—	—	104.45	103.22	103.34	104.16	47.33	123.90	44.47	155.76	43.96
Insurance (Brokers) (10)	216.87	+0.5	9.75	4.16	15.47	15.47	216.19	214.68	214.92	215.61	69.13	229.00	64.88	269.57	[illegible]
Merchant Banks (15)	53.97	—	—	6.39	—	—	53.67	53.86	53.41	53.52	34.59	84.97	31.21	278.57	31.21
Property (32)	155.57	+1.4	3.75	3.56	44.47	42.33	153.14	153.09	152.44	150.33	93.32	202.32	[illegible]	[illegible]	[illegible]
Miscellaneous (4)	77.82	—	12.86	6.21	12.41	12.25	77.82	77.48	76.48	76.48	34.98	80.81	31.75	[illegible]	[illegible]
Investment Trusts (50)	167.00	−0.4	3.02	4.28	33.17	33.15	166.41	165.87	166.76	166.82	75.04	179.53	73.45	249.79	71.95
ALL-SHARE INDEX (650)	154.35	+0.3	—	5.59	—	—	153.83	152.55	152.35	151.81	65.75	160.63	64.16	228.15	61.92
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
Rubbers (9)	378.29	+0.2	16.94	5.56	9.06	9.04	377.35	375.83	377.56	376.95	296.80	525.43	281.66	555.37	84.58
Teas (9)	115.98	—	40.78	8.93	3.60	3.54	115.92	115.05	114.70	115.62	77.53	124.67	72.76	124.67	59.72
Coppers (3)	265.14	—	38.69	6.73	2.57	2.57	265.14	255.14	260.37	264.21	367.82	428.90	226.39	729.91	63.31
Mining Finance (11)	109.71	−0.3	10.82	4.66	10.43	10.43	110.01	109.95	110.77	111.45	89.00	141.54	80.56	179.92	46.51
Tins (5)	97.97	−0.9	14.22	10.27	10.05	9.62	98.84	98.74	99.02	98.64	50.47	114.49	[illegible]	[illegible]	[illegible]
Overseas Traders (13)	215.52	+0.6	15.52	4.84	8.24	8.24	214.69	213.95	214.02	210.62	—	252.83	87.57	252.83	87.57

FIXED INTEREST	Wed. Dec. 17 Index No.	Yield %	Tues. Dec. 16	Monday Dec. 15	Friday Dec. 12	Thurs. Dec. 11	Wed. Dec. 10	Tuesday Dec. 9	Monday Dec. 8	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	14.92	14.91	14.91	14.89	14.88	14.88	14.87	14.96	16.95	—	—	—	—
20-yr. Govt. Stocks (6)	46.35	14.01	46.05	45.95	46.00	46.15	46.58	46.40	46.10	39.52	53.09	38.37	113.42	38.27
20-yr. Red. Deb. & Loans (15)	48.09	15.02	49.18	49.16	49.13	49.18	48.17	46.07	46.07	37.44	50.56	37.01	113.43	37.01
Investment Trust Prefs. (15)	46.75	14.81	46.58	46.49	46.55	46.44	46.50	46.51	46.50	36.88	47.20	36.33	114.41	34.45
Coml. and Indl. Prefs. (20)	63.48	15.01	63.22	63.15	63.30	63.57	63.67	65.95	64.13	49.87	66.26	47.67	119.39	47.67

[illegible] Section or Group / Base Date / Base Value table of base dates.

† Redemption yield. FT-Actuaries indices are calculated by members of the Exchange Telegraph Group on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 15p. [illegible]

CONSTITUENT CHANGES: Magnet Joinery and Southern Evans have merged to become Magnet and Southerns (Building Materials). Johnson and Firth Brown is a new constituent of Capital Goods Misc.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	13	329	+3	329	118
P & O Defd.	£1	9	96	−3	128	59½
Beecham	25p	8	339	+2	344	116
GEC	25p	8	139	—	147	51
House of Fraser	25p	8	73	+3	97	37
Marks & Spencer	25p	8	96	−1	128	47½
Metal Box	£1	8	285	+2	286	109½
Trafalgar House	20p	8	110	+2	122	23
Commercial Union	25p	7	138	−1	194	72
EMI	50p	7	238	−1	241	62
Imp. Cont. Gas	£1	7	335	−2	398	114
Pilkington	£1	7	295	+3	295	94
Shell Transport	25p	7	366	—	390	118
Slater Walker	25p	7	27	—	108	20
Bank of Scotland	£1	6	286	+3	295	104

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 9	Dec. 22	Mar. 4	Mar. 16
Dec. 23	Jan. 6	Mar. 18	Mar. 30
Jan. 8	Jan. 19	Apr. 1	Apr. 13

"Calls" were dealt in Grand Metropolitan, Charterhall Finance, Slater Walker and English Property. "Puts" were done in Burton "A," Lonrho and Town and City, while "double" were arranged in Burton "A," Burmah Oil, British Land and ATV "A."

Industrials		Guardian	20	[illegible]	5	Shell	25
A. P. Cement	15	G.K.N.	22	Tesco	6	Ultramar	20
Acme Leisure	5	Hawker Sidd.	27	Thorn "A"	20		
Barclays Bank	25	House of Fraser	8	Tube Invest	27	Mines	
Beecham	28	I.C.I.	21	Unilever	4	Anglo Amer.	30
Boots Drug	18	"Imps"	7	Utd. Drapery	13	Charter Cons.	19
Bowater	16	I.C.L.	7	Vickers	15	Chart'rh'll Fin.	6
B.A.T.	50	Inveresk	7	Williams Hud'n	4	Cons. Gold	18
British Leyland	7	Legal & General	15	Woolworths	6	De Beers Def.	55
BOC Int.	5½	Ladbroke	11			F. S. Geduld	150
Burton 'A'	7	Lloyds Bank	22	Property		Great Boulder	12
Cadburys	6	"Lots"	5½	Amal. Inv.	4	Hampton Areas	14
Courtaulds	11	"Mams"	6	Brit. Land	4	Hampton Pro	4
Debenhams	8	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Distillers	15	Midland Bank	25	E.P.	8	Lonrho	15
Dunlop	6½	Nat'l West Bank	22	Land Securities	18	Lornine	55
Eagle Star	13	"do" Warrants	10	MEPC	9	Poseidon	55
E.M.I.	17	P & O Dfd.	11	Peachey	6	Pres. Steyn	175
Gen. Accident	16	Plessey	8	Town & City	4½	Rio T. Zinc	20
Gen. Electric	13	R.H.M.	6	Town & Comm.	4	Welkom	55
Glaxo	35	Rank Org. 'A'	18			West Areas	75
Grand Met.	7	Reed Int'l	25	Oils		Western M'ng	18
G.U.S. 'A'	17	Rothmans	4	Brit. Petroleum	42		
		Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975

The following securities (number in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (57)

BRITISH FUNDS (3)
Trans. 4pc '72-77 Treas. 3½pc '79-81
Treas. 10½pc 1979 'A'
INTERNATIONAL BANKS (1)
5pc Stk. '77-82
COMMONWEALTHS (1)
NZ 6pc '76-80
CANADIANS (1)
Pacific [illegible]
Bell (A.)
BUILDINGS (6)
Janes (H. C.) Moyer Montague L.
Johnson-Richards Parker Timber
Magnet & Sthns. UBM
CHEMICALS (2)
Ciba Geigy 8½pc Cnv. [illegible]
Hickson Welch
CINEMAS (1)
Assoc. TV 'A'
STORES (2)
Wharf Mill [illegible]
ELECTRICALS (2)
Decca
Do. 'A'
ENGINEERING (8)
Braham Millar Redman Heenan
Hawker [illegible]
Hill & Smith [illegible]
RCF [illegible]
FOODS (4)
Batleys of Yorkshire Linfood
Clover Dairies Northern Foods
INDUSTRIALS (14)
AD Int. [illegible]
Brown Boveri Kent [illegible]
Caravans Int. Norton & Wright
Channel Tunnel Parker Knoll 'A'
Christie-Tyler Pilkington
Coltness Silentbloc
Dobson Park
Harmo Inds.
MOTORS (1)
PAPERS (1)
Compton [illegible]
SHIPPING (1)
Runciman (W.)
TEXTILES (2)
Carrington Viyella Hollas Grp.
TRUSTS (1)
Lampa Secs.
MINES (1)
Cons. Murchison

NEW LOWS (9)

CHEMICALS (1)
Norsk Hydro
NEWSPAPERS (1)
Routledge & KP
TRUSTS (1)
Atlantic Assets
MINES (6)
Elsburg St. Helena
Zandpan Western Hldgs.
Pres. Brand Ang. Am. Gold

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	35	2	18
Corpns. Dominion and Foreign Bonds	9	1	54
Industrials	342	171	1,207
Financial and Prop.	117	51	427
Oils	6	4	24
Plantations	5	1	41
Mines	36	54	82
Recent Issues	13	8	23
Totals	553	292	1,876

BASE LENDING RATES

AFI International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11½%
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11 %
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11½%
C. E. Coates	11½%
Consolidated Credits	12 %
Co-operative Bank	11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	11½%
Duboff Brothers	11 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11½%
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11½%
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	11 %
C. Hoare & Co.	11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	13 %
Lloyds Bank	11 %
London & European	12 %
London Mercantile	11 %
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Northern Comm. Trust	11½%
Norwich General Trust	11 %
Portman Guaranty	12 %
P. S. Refson & Co.	11 %
Rossminster Accept'cs	11 %
Schlesinger Limited	11½%
E. S. Schwab	12 %
Security Trust Co. Ltd.	12 %
Shenley Trust	13 %
Standard Chartered	11 %
Sterling Credit	12 %
Thames Guaranty	12 %
Trade Development Bk.	11 %
Twentieth Century Bk.	11 %
United Bank of Kuwait	11 %
Whiteaway Laidlaw	11 %
Williams & Glyn's	11 %
Yorkshire Bank	11 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7 %, 1-month 7¼%.
† 7-day deposits on sums of £10,000 and under 7¼%, up to £25,000 7½% and over £25,000 8%.
‡ Demand deposits 8¼%.

MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 11¼ per cent. (since November 28, 1975)

Day-to-day credit was in slightly short supply in the London money market yesterday and the authorities bought a small amount of Treasury bills from the Discount houses to relieve the shortage. There was a net market take-up of Treasury bills to finance, and the market was also affected by an increase in the note circulation. Official holdings of local authority bill maturities and settlement of official gilt-edged sales were also against the market's favour. On the other hand Government disbursements exceeded revenue payments to the Exchequer.

Discount houses paid 10½-10⅞ per cent. for secured call loans in the early part, and closing balances were taken at around 10¾-11 per cent.

In the inter-bank market overnight loans commanded 10¾-10⅞ per cent. at the start and eased to 10½ per cent. in places during the afternoon, before rising to 12 per cent., and declining at the close to 11 per cent.

Short-term fixed period interest rates showed little change.

Rates in the table below are nominal in some cases.

Dec. 17 1975	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	10½-12	—	—	—	10½-11⅛	10¼-11	—	—	—
2 days notice	—	—	10¾-10⅞	—	—	—	—	—	—	—
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Local authority and finance houses seven days' notice, others seven days' fixed. [illegible] Finance House Base Rates (published by the Finance Houses Association) 12 per cent. from December 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 11 per cent. Treasury Bills: Average tender rates of discount 10.8931 per cent.

CORAL INDEX
Close 367-372

I.G. INDEX
GOLD 138-141

INSURANCE BASE RATES

† Atlantic Assurance	12 %
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange

Albany Inv. 20p	16	......	Graig Ship £1	320	+15	Shiloh Spinn	27	..
Ash Spinning	33	......	Hallam Sleigh 10p	6	.....	Sindall (Wm.)	52	+2
Bertam	21	......	Higsons Brew.	92	....			
Bdg'wtr. Est. 50p	130	.....	I.O.M. Stm. £1	128	....	**IRISH**		
Clover Croft	35	.....	Holt (Jos.) 25p	260	.....			
Craig & Rose £1	320	.....	Kleen-e-Ze	17xd	.....	Alliance Gas (£1)	80	.....
Dyson (R.A.)	30xd	......	Lovell's Ship £1	95	.....	Carroll (P. D.)	124	−1
Ellis & McHdy.	60xd	......	N'thn. Goldsmith	89	.....	Clondalkin	50	......
Evans Fr'k. 10p.	33	.....	P.M.A.	48	..	Concrete Prods.	92	......
Evered	19	.....	Pearce (C. H.)	80	......	Goodbody (£1)	34	.....
Fife Forge	40	......	Peel Mills	12	.....	Heiton (Hldgs.)	29	......
Finlay Pkg. 5p	16	......	Richards 10p	13	.....	Irish Distillers.	67xd	.....
Frost & Reed 50p	130	....	RobbCaledonSh.	37	......	Irish Wire	40	......
Gardiner & Sons	11	......	Sayers 12½p	7	....	Jacob	73	......
Gardner (L.)	62	−1	Sheffield Brick	65	.....	Sunbeam	8	......
			Sheff. Refrshmt	140	.....	Unidare	63	......

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1974, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Entertainment and Catering	+203.07	Electricals	+127.45
Contracting and Construction	+196.17	Machine Tools	+125.85
Insurance (Brokers)	+192.23	Consmr. Gds. (Non-Durable) Grp.	+119.75
Motors and Distributors	+187.19	Investment Trusts	+117.90
Building Materials	+177.57	Hire Purchase	+117.73
Toys and Games	+173.56	Insurance (Composite)	+117.51
Electronics, Radio and TV	+172.42	Financial Group	+114.38
Consumer Goods (Durable) Grp.	+172.17	Stores	+113.41
Oil	+170.47	Packaging and Paper	+111.84
Newspapers and Publishing	+164.75	Breweries	+ 96.09
Capital Goods Group	+159.07	Wines and Spirits	+ 89.53
Chemicals	+147.63	Discount Houses	+ 87.37
Engineering (General)	+147.41	Office Equipment	+ 79.66
Food Manufacturing	+143.02	Tobacco	+ 74.72
Household Goods	+142.69	Shipping	+ 69.93
Textiles	+138.08	Property	+ 57.26
Merchant Banks, Issuing Houses	+137.03	Teas	+ 49.29
Food Retailing	+136.81	Tins	+ 46.85
Insurance (Life)	+135.86	Rubbers	+ 31.20
500 Share Index	+135.04	Mining Finance	+ 24.80
Banks	+134.97	Coppers	− 32.78
Engineering (Heavy)	+133.66	Gold Mines F.T.	− 36.24
All-Share Index	+129.97		
Industrial Group	+129.51		

* Percentage changes based on Tuesday, December 16, 1975 Indices.

Relations between Britain and the Irish Republic have seldom been so bad as at present. The McKearney affair and the wish of those responsible for the Balcombe Street siege to be flown to Ireland have spotlighted the key issue of extradition, while the South Armagh incidents have focused attention on IRA bases south of the Border. At the same time, the Republic is unhappy with Britain's attitude to terrorists. **Giles Merritt** explores the problem areas.

The Irish Army out on patrol along the Border

Ireland's borderland between co-operation and mistrust

TRICOLOUR pennants fluttering from their radio antennae, the mini-column, of drab armoured vehicles bustles along the narrow border lanes that connect the crossing points into Northern Ireland. The Irish Army is out on patrol.

Helmeted and flak-jacketed, the men of the 27th Infantry Battalion clamber down from their Panhard personnel carrier and deploy in practised formation with their FN rifles as they approach the unmarked frontier. Apart from their distinctively different uniforms, they look for all the world like their British counterparts just across the way in lawless South Armagh.

Deceptive

But appearances are deceptive, for theirs is not a shooting war. The two armies may be fighting a common enemy in the Provisional IRA but, in line with the historical and political differences that separate Dublin and London, they do so in rigidly separate ways. There is no contact between the Irish and British armies except at one remove through their respective police forces. Politically, it is always said, it would be anathema to the Irish people to have their military helping the British.

Diplomatically, this has been a year of short tempers. Bilateral relations between Dublin and London have in the past fortnight hit a particularly bad spot as a war of words broke out over the McKearney affair. The decision by Irish Police not to prosecute Scotland Yard's "most active woman terrorist" as an IRA member, followed by an extradition wrangle, drew angry noises from the British Press and indignant official reactions to this "concerted propaganda" from the Irish Government. A silly row that owed more to misunderstandings at a relatively low level, it nevertheless underlines the way in which the gap between the two countries has widened this year. It is a nagging mistrust that the wary relationship between the two armies throws into sharp focus.

Until this week, the 27th Battalion's opposite number across the border has been the Royal Regiment of Fusiliers, which, during its four-month tour in South Armagh, has lost five men to the Provos. The fatal ambushing of a four-man observation unit late last month in which three men died illustrates the problems of non-co-operation between the two sides. The patrol was fired on by a 10-strong terrorist unit from positions immediately across the border in County Louth. The Irish Government promptly said that if the British Army had advised it of the patrol's operation it would have provided military cover from the south. The British view, of course, is that, although the soldiers had themselves committed a series of grave tactical errors, Ireland should police its border efficiently enough to prevent sizeable Provo units from forming up.

In the two years that it has been responsible for half of the Republic's 300-mile border with Ulster, the 27th Battalion has not lost a single casualty to violence. Although the 27th is one of the security instruments of a "Dublin regime" that the Provos are committed to destroying, the gunmen know that the undercurrent of support in the Republic for a united Ireland would change to public condemnation at the death of the first Irish soldier.

'El Paso'

At the same time, senior officers at the British Army headquarters at Lisburn, near Belfast, make no secret of the fact that they would reject military co-operation across the border for fear that operational plans would be leaked to the Provisionals. Mr. Merlyn Rees, the Northern Ireland Secretary, has described South Armagh as "bandit country," but his Army believes that the marauding Provo active service units there are led and supplied from the safe base of Dundalk, the south-of-the-Border town where the 27th is based and which the British Army long ago nicknamed "El Paso."

For its part, the Dublin Government is well aware that formal co-operation between its own troops and the British military, other than in isolated cases where lives might be saved, is a political non-starter. But the Irish soldier's instinctive dislike of what is happening in the North, reflecting the Republic's natural support for the Roman Catholic minority there, should not disguise the determined campaign now being waged against IRA terrorism.

This year, Ireland will have spent £120m. on security, a record sum that has gone on its increased Army of 14,000 and a force of 8,400 policemen. At any given moment, there are up to 20 military patrols along the winding, rural frontier. Border security remains a running sore for both sides, but the Irish Army points out that it would take up to 2m. men to seal it completely. Two 800-strong battalions are strung out along the border "in support of the civil authority." Acting as a back-up to unarmed Garda checkpoints and weapon sweeps—which this year have led to 40 people being charged with terrorist activities in border areas and an impressive haul ranging from rifles to rocket launchers—the Irish Army is at the same time keen to emphasise the differences between itself and the British Army. Far from possessing "special powers," Irish soldiers content themselves with "citizen's arrest."

Draconian

It is, perhaps, in the confused and complex nature of the situation that the Irish authorities are, however, equipped with much more draconian legislation that has long been the envy of the security forces in Northern Ireland. The no-jury special criminal courts which can jail terrorists for up to two years on IRA membership charges on the evidence of a senior police officer contrast strangely with the "safe haven" provided by the present extradition laws, and are the sort of legal machinery the army chiefs in the North intend to be pressing hard for now that detention has been ended.

To many people in Britain it must seem ironic—if not incredible—that the Irish should be more harsh towards the Provisional IRA than Westminster. Yet it is the Republic's belief that the British, and Mr. Rees's Northern Ireland Office in particular, have gone soft on the IRA that is largely responsible for the strained relations of 1975.

Dublin openly disapproves of the contacts between Stormont Castle and the Provisional IRA that bred and nursed the ceasefire. There are quite a few in the Government who even accept the persistent reports of a 12-point deal between the two sides. But the crucial point is Dublin's view that negotiating with the IRA was tantamount to recognising it, and that that gave the "subversives" political credibility.

In the knowledge, it is thought, that by so doing it would upset the British "accommodation," Dublin took a top-level decision to arrest Mr. David O'Connell, the provisional chief-of-staff, when the opportunity arose in July. In August, Mr. Liam Cosgrave, the Irish Premier, broke his silence on Ulster to demand "effective action" to end sectarian violence there.

Unsuccessfully, Dr. Garret Fitzgerald, the Irish Foreign Minister, attempted to discuss the matter with Mr. James Callaghan, the U.K. Foreign Secretary, when both were attending the UN in New York, and shortly after that an emergency Cosgrave-Wilson summit was rumoured. Britain, however, refused to be drawn, chiefly because talks would require results. Simultaneously, phase one of the McKearney affair blew up, fanning Garda Special Branch suspicions that Scotland Yard was operating inside Ireland.

Bogged down

The root problem is that, bilaterally speaking, both London and Dublin are bogged down into their respective positions on the Ulster question until a political breakthrough there enables them to agree a joint standpoint. In effect, a return to the halcyon days of Sunningdale is required—a prospect that seemed a tantalising possibility in September with Mr. William Craig's coalition scheme.

The tripartite Sunningdale talks of early December, 1973, marked a high point in Anglo-Irish relations. The Cosgrave Government's willingness to support the power-sharing Executive by formally recognising that Ulster would remain part of the U.K.—despite Article 2 of the Constitution that claims the whole of Ireland—until a majority of the people there "desired a change of status," and agreement on a Council of Ireland, seemed to herald a new era.

But the downfall of the Executive in May, 1974, made Sunningdale a dead letter overnight, and while the joint communique issued when Mr. Cosgrave and Mr. Wilson met at the end of that year endorsed their Sunningdale positions on re-unification, the basis for formal co-operation enshrined in Treaty form was gone.

Informally, both governments continue to share the same objectives of power-sharing and an Irish dimension. The danger is that it is not a firm enough basis on which to build close relations. The political inertia of the Northern Ireland Convention has this year seen co-operation yield to irritation, and if no progress is made next year official irritation could give way to open conflict.

In fairness, the British also have cause to be irritated. The call from Fianna Fail, the Opposition party, in October for a British declaration of intent to withdraw from Ulster echoing the Provisionals' demands, and its fight against the Irish Government's Criminal Law Jurisdiction Bill, which should settle the extradition impasse, are a reminder of Ireland's gut Republicanism. Nor does it help that the Provisional IRA's ruling seven-man army council notoriously conducts its business from Dublin.

Reaction

One of Ireland's constant preoccupations is the wellbeing of its 1.5m. citizens living in the U.K. In the same way that the Birmingham bombings just over a year ago produced a sharp, though short-lived wave of anti-Irish feeling, the violence in and around London of the past months has given rise to fears of a fresh reaction. It is even argued that "personalised" incidents, like the assassination of Mr. Ross McWhirter and the Balcombe Street siege, with a quiet middle-aged couple held as hostages, are rapidly bringing anti-Irish sentiment to the boil.

In Dublin, there has been reciprocal concern that militant Republicans may be laying plans for counter-reprisals against the British community and the country's many established Anglo-Irish families. It is to be hoped that the threat of a new form of sectarianism based on nationality or even accent is no more than a nasty spectre, but it still has to be taken into diplomatic account.

FINANCIAL TIMES SURVEY

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PORTUGUESE INDUSTRY and FINANCE

Portugal's economic problems have become so great as to put the whole future of the country in jeopardy. Unless they are tackled with more vigour and purpose than presently shown, the high hopes engendered by the revolution are likely to turn to feelings of despair.

Stern measures needed to rally economy

By Paul Ellman, Lisbon Correspondent

PERHAPS the most telling comment on Portugal's economic plight is currently being made indirectly in an advertising campaign by one of the State-owned banks. A wad of banknotes is portrayed stuffed in a mattress at the mercy of inflation, thieves, rats and fire, with the message: "You know your *money is safer with us at nine* and a half per cent."

Yet the figures show that few Portuguese do believe that their money is safer in the bank and it is the tragic reality behind their fears that remains the country's biggest problem, not the political squabbling which is political and military leaders have luxuriated in during the 20 months *since the April 25* coup last year ended almost 50 years of dictatorship. Portugal is on the brink of a genuine economic catastrophe. Nobody in official circles denies this anymore, but so huge have the problems become that they risk reducing those responsible for decision-making to a state of near-paralysis.

Official estimates indicate that Portugal will set a European record this year for negative growth in its GNP, which is expected to fall in real terms by between 10 and 15 per cent. Because emigration has slowed down as a result of the economic recession in traditional markets for Portuguese labour and because refugees have come flooding into the country from the former African colonies, the population is expected to show a 4 per cent. rise this year. Per capita production is reckoned to be 16 per cent. down on last year and capital investment 50 per cent. down, while unemployment, excluding the refugees, has already passed the 12 per cent. mark and is expected to hit 16 per cent. early next year.

All these trends were visible a year ago, yet because of the political climate, wages have risen by an estimated 30 per cent. and consumer spending is only now beginning to show signs of slowing down—although it is still expected to exceed the GNP by around Esc.30bn. ($1.35bn.) this year.

Portugal's apparent ability until now to defy not only the political laws of gravity but the economic ones as well raise a series of questions, not the least of which is how it arrived in its present position. Historical causes for the fundamental distortions of the Portuguese economy are relatively easy to identify.

Restrictions

Basically, under the Salazar dictatorship, the country solved its unemployment problem by exporting it, provided virtually no incentives for innovation, created legal restrictions on competition which allowed the Government to foster concentrations of finance and industry in the hands of a few rich families, did nothing to modernise the agricultural sector and forced the colonies to sell their products at lower than world market prices even if these products were then simply resold by the metropolitan power at prevailing world prices without any effort to add to their value.

Portugal might continue to run up balance of trade deficits but invisible earnings from remittances sent home by Portuguese working abroad and from tourism kept the country's balance of payments in surplus, with the last year of the dictatorship, 1973, producing a payments surplus of $345m. against a trade deficit of $900m.

The political instability of 1974 coincided with a turnaround in the payments situation, with the payments deficit reaching $600m., as the trade deficit plummeted to $2bn. This year's trade deficit is again expected to total around $2bn., while the payments deficit is estimated at $1bn.

Whether this would have happened even if the April 25 coup had never taken place is largely an academic question by now, although there is considerable evidence that the economy was already running into deep trouble in the closing stages of *Caetano's rule*.

Given the fact that the political debate over the future development of Portugal has still not been entirely resolved, it was perhaps inevitable that little attention would be paid to the fundamental problems of the economy. Perhaps, too, it was inevitable that once the dyke of oppression had been breached, the new-found freedom would produce a tidal wave of demands for higher wages, better working conditions and greater access to the good things of life.

In a sense, this is the price the country has had to pay for the remarkably peaceful transition it has undergone since April 25, 1974, and, despite the noisy posturing and brandishing of fists, it has been a relatively peaceful process. But the bill has been paid out of the country's reserves, almost the only positive legacy of the Salazar years.

At the end of 1973, foreign exchange reserves stood at $2bn., while gold, even if *valued at the artificially* low official price of $42 an ounce, provided another $1.2bn. backup. The exchange reserves have now reached the point where, according to the Secretary of State for Prices, Dr. Mario Baptista, they barely cover one month's imports. Even this is only a notional figure since the sum involved is barely above the $250m. raised from the Bank of International Settlements using gold as security.

Clearly the temptation will be to use more and more gold, but given the present state of the gold market it will be virtually impossible to use these reserves at the rate at which they have been draining away, which unofficial estimates suggest averages out at Esc.100m. ($4m. a day). Portugal can still fall back on roughly Esc.4bn. ($160m.) from the IMF's oil facility fund and has access to the OECD's Aid Fund, but all these would have to be repaid and finding the money is unlikely to be easy unless there is some fairly savage pruning.

As a draft emergency plan presented to the Sixth Provisional Government points out, consumer spending needs to be cut by some Esc.35bn. as part of the process of restoring equilibrium. This is the outcome of a process whereby the money supply has been manipulated to the point where there are now three times more notes in circulation than there were at the beginning of last year, these notes representing more than 80 per cent. of the total money supply.

The Government's plan proposes a series of short-term measures including allowing increases in officially controlled *prices, higher taxes,* severe restrictions on imports and possible rationing of basic foodstuffs.

Whether the Portuguese State has the will and the resources to push through such a programme is one of the major tests it faces in the months ahead. An illustration of its awareness of the political dangers it faces is provided by the fact that the tentative wage freeze imposed last month lasts until the end of the year.

The problems of the resources the Government has at its disposal is the other side of the country's economic coin. The to-ings and fro-ings of the political debate have left the State controlling 65 per cent. of the economy. This was the result of the nationalisation pushed through in the wake of the abortive Right-wing coup attempt on March 11 this year. Altogether 117 enterprises have been directly nationalised, while another 201 have fallen under State control because of the nationalisation of the banks and other financial institutions which held the majority of their equity.

Swallowing such a big mouthful in one gulp is bound to produce a severe attack of indigestion and the Portuguese administration has so far been unable to decide on what to do with the powerful forces it now controls. An official body, the State Participation Institute (IPE) has been set up with the aim of co-ordinating the activities of the public sector but so ineffective has it been so far that the respected Lisbon newspaper Expresso was driven recently to ask sarcastically: "Who's afraid of the IPE?" *Thrashing out the strategic* options is a process which has barely begun despite the considerable attention paid to the political debate about "Socialism."

Portugal might give the surface impression of having become a technocrat's paradise but the problem is that there are simply not enough technocrats to go round and, with the "brain drain" which has hit the country since the Leftward lurch last spring, there is also a shortage of technicians to move the levers of decision.

As a consequence, wh[...] grown up is a purely a[...] system based on one[...] riding concern—the ne[...] prevent unemployment any further. Credit ha[...] poured into companies public sector to meet day liquidity problems, t[...] hiding substantial employment which som[...] mates put as high as [...] cent.

Difficult

The managing direct[...] one State-owned enterpri[...] it this way: "Of cour[...] wonderful that I can d[...] and see the Minister wh[...] I want. The trouble is body else can do that a[...] so he hardly has time more than good afterno[...] I just get on with the j[...] best I can."

Getting on with the likely to become more rather than less in the year, especially if the p[...] peace that has been boug[...] to turn into the politic[...] ility the country so desp[...] needs to recover from th[...] mas of the past twenty r[...] Not that there are no s[...] light at the end of the Workers in a number tors, now that the head when resources appeared infinite are gone, are n[...] ginning to tone down claims—not only becaus[...] fear the dole queues b[...] because the power *they* has enabled them to gain to the innermost secrets companies.

At the same time, the [...]

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PORTUGUESE INDUSTRY AND FINANCE II

Portuguese residents of Angola awaiting repatriation. Portugal will have to face a bill of about £1.8bn. after decolonisation of its foreign territories.

The high cost of decolonisation

'E HUNDRED years of tuguese colonisation in ica ended in Angola on 'ember 11. The other ter- ries—Guinea-Bissau, Cape de, Mozambique and São ne and Principe—have all n peacefully handed over to r new national governments. if Angola is now torn by it is not entirely the fault the Armed Forces Move- it or of its colonial past.

'hat is more likely to be ned on the military is the rmous cost of decolonisation. final bill for settling out ourt—for this is what it has unted to in both psychologi- and financial terms—the ts of 500 years of colonial and a decade of war, tor- and political assassinations the colonies, is so enormous t the Portuguese taxpayer the moment is being kept 'berately ignorant of the ms involved. On paper—and is an estimate only—it 'ld be as much as £1.8bn.

Meanwhile, Portugal's ence budget, far from nding to a shadow of the s involved when the country fighting across Guinea au, Mozambique and Angola deploying an estimated 00 troops there, has stayed igh as ever because of con- ing debts on military equip- t ordered before the April 'volution.

'en there is the huge cost ne country of the roughly 00 white settlers who have Mozambique and Angola, 'ned to Lisbon without a y or a job, and are now demanding welfare benefits and the right to work. Unlike the million and more Portuguese emigrants in Western Europe, the African Whites rarely remitted much of their earn- ings to the folks at home (partially because the folks usually followed them to the better life in the colonies)—so at least as far as the balance of payments is concerned there is no very evident drain on incoming remittances.

Isolated

For Portuguese exporters, *apart from certain isolated* examples like table wines, the *colonies were hardly their main* outlet. In 1973, at the height of the war boom, total Portuguese export to African *territories only reached 14 per* cent. of total exports. Indeed the mother country had a straight trading deficit with its African colonies of about £14m. a year.

Meanwhile exports of con- sumer durables, food products, *pharmaceuticals and textiles* were steadily dwindling as *investors — mainly foreign —* built up the import substitution *industries in both Mozambique* and Angola.

Paradoxically, then, while the Portuguese taxpayer faces a *huge decolonisation bill—if it* is honoured by a subsequently *freely elected Government*— Portuguese industry's costs of *losing the African territories* are fairly small.

For one thing, the pattern of colonisation in Africa closely followed Dr. Salazar's policies at home of doing as little as possible for as long as possible: so Angola and to a lesser extent Mozambique, despite their im- mense mineral and agricultural wealth remained largely under- developed. The economic boom both in Luanda and Lourenço Marques came with the war, and later, under Marcello Caetano, with the opening of the African economies to foreign, rather than the unenterprising Portu- *guese investors.*

Mozambique's major investors *are virtually all non-Portu-* guese. By 1967, the annual per- *centage of non-Portuguese in-* vestments there had grown from 1 per cent. in 1959 under Salazar to 30 per cent. under Caetano. The flourishing sugar industry is mainly in British hands, while sisal production is dominated by western Europeans from Bri- tain, Holland, France, Switzer- land and West Germany.

The Mozambique cotton in- dustry was Portuguese but since the end of the compulsory sell- ing system to Portugal (as arti- ficially low prices) three years ago, there has been no benefit to the Portuguese textile industry, which has been forced to acquire its Mozambique cotton at normal world market prices.

Other industrial interests, from tea growing to *mining con-* cessions, were virtually all in *foreign hands. And Portugal's* monopolies were involved in the limited *areas of cement*, food and drink, and traditional bank- ing and *insurance*, though again foreign interests were handling much of the new foreign-genera- ted business.

In Angola, the picture is dif- ferent: broadly the Portuguese owned the plantations and, by contrast with Mozambique, also controlled at least some of the mining sector. Coffee, palm oil, sisal and cotton plantations were *mainly in Portuguese hands.* On the more interesting mining side of the economy, which provides 90 per cent. of foreign exchange *earnings, iron ore was Portu- guese-controlled.* Companhia Mineira do Lobito is entirely Portuguese-owned (44 per cent. belonged to Portugal as a State), and when peace finally comes to Angola it is likely to want to sell its *shareholding* in the company rather than give it away.

But oil exports at present come virtually entirely from Gulf Oil Cabinda, while dia- monds, another major foreign exchange earner, are controlled by Belgian, American and South African interests.

What Portugal principally loses with Angola is a substan- tial surplus on its *overall* colonial payments balance, which *served to mop up*, with the help of the gold paid to Portugal by *South Africa for its* Mozambique mine labour, the *overall payments deficit* and finance the colonial wars.

Cushion

The absence of this protective cushion, plus the bill for the decolonisation of £1.8bn. is enough to make the Bank of Portugal quiver. Of course the massive £1.8bn. is not for imme- diate payment. It represents staggered loan repayment schemes over as long as 20 years it represents the assets of Portuguese nationalised banks insurance companies and industries in the former colonies nationalised through the Portuguese March 11, 1975 nationalisations and now to be handed, apparently *on a plate*, to the new independent countries: *it represents guaran-* tees offered by Portugal on *loans shouldered by the new* African Governments; and *finally a small part* of it repre- sents the effort by Lisbon to *provide* a minimal programme of technical assistance and financial aid to its least favoured former colonies such as Guinea Bissau and Cape Verde, and technical assistance to them but also to the richer countries, where future relations, Lisbon hopes, will help to build up Portugal's new industries and open new export markets.

Nonetheless, as a member of *the Lisbon Decolonisation Com-* mittee says sadly and wryly "*Nobody will ever have paid* so high a price for its colonial *rule.*"

Jane Bergerol

Economy

CONTINUED FROM PREVIOUS PAGE

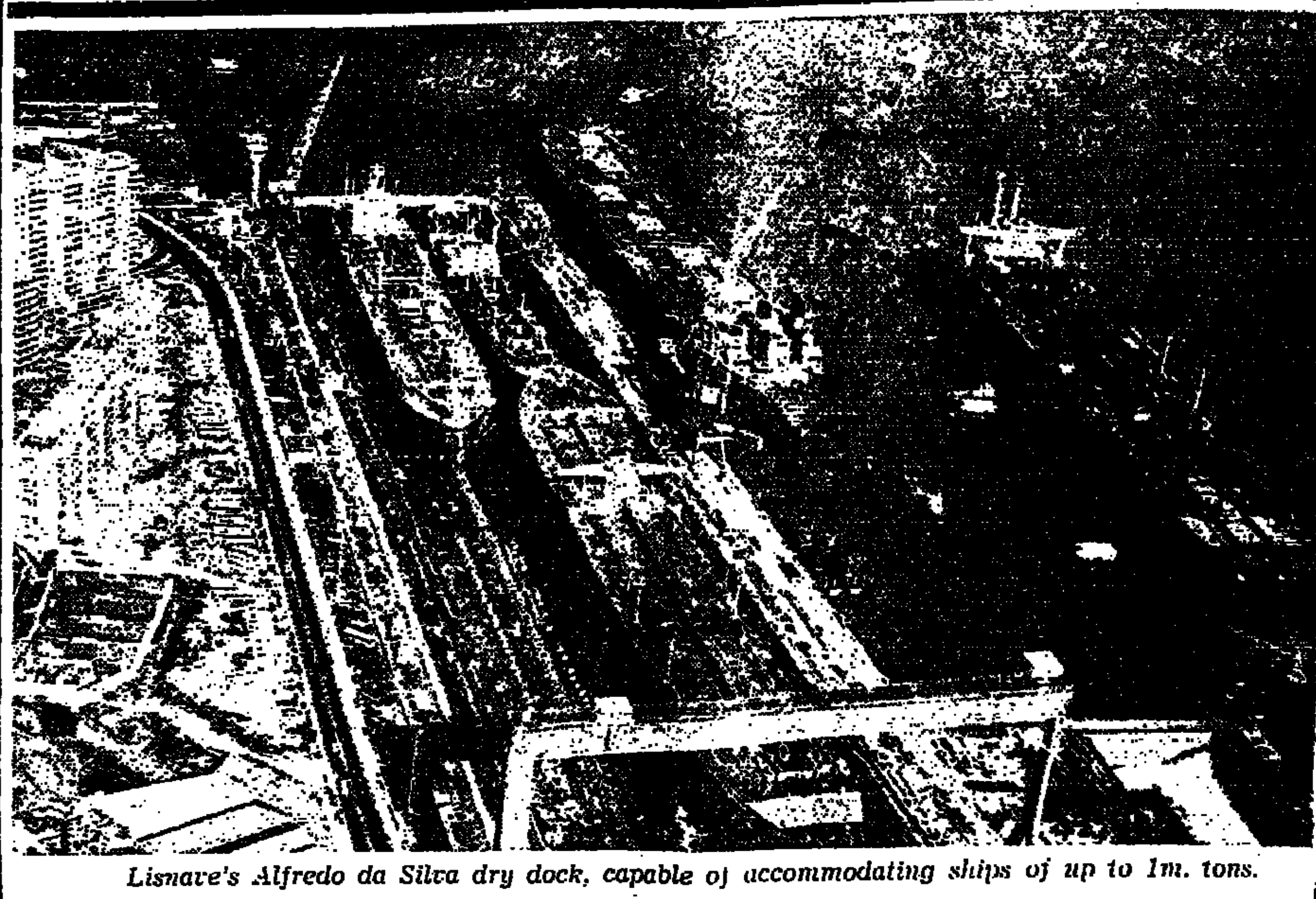
ment has taken a first step to- wards an orderly agrarian re- form programme, a vitally im- portant move as the job of meet- ing food import bills becomes more difficult and as there are indications that the disorderly way in which the programme has been conducted by Leftist administrators has produced a sharp drop in new seed plant- ings and an increase in breeding stock being sent to the abbatoirs.

But if the Prime Minister, *Admiral Jose Pinheiro de* Azevedo, and his Government *are to take Portugal further* down the road towards the "*pluralistic democracy*" the EEC has set as a condition for *aid, then they will need more* generous treatment from out- side than they have so far received, notably from the Common Market countries which not only benefited from the pool of cheap Portuguese labour when they needed it but also from substantial invest- ments in Portuguese colonies in Africa.

Something over $200m. has been put aside by the EEC as aid for Portugal. But this is tied not only to the political system the country adopts, but also to its ability to come up with viable projects. A team appointed by the Portuguese Government is encountering serious difficulties in finding enough projects which meet the EEC's criteria and there is a growing feeling in Lisbon con- sidering the way the negotia- tions over the renewal of the trade agreement have been *conducted, that the country may* well find itself sacrificed on the *altar of the short-term interests* of its "friends."

If the politicians who have been given a mandate by the military leadership to construct a "pluralistic" system fail to come up with the economic goods, then the country faces the threat of further upheavals from the Left. Dr. Alvaro Cunhal, the Communist leader, made the Left's point eloquently when he said recently that the EEC's aid package was simply cover for the "bourgeoisie" to demand further "sacrifices" from the workers. The Left might fail again as it has in the past, but the aftermath would more likely to be continuing military rule rather than the parliamentary system Western Europe says it *would like to see.*

PORTUGUESE INDUSTRY AND FINANCE I



Lisnave's Alfredo da Silva dry dock, capable of accommodating ships of up to 1m. tons.

Shipyards play a strategic role

AT ONE point during last summer, Lisnave, the ship-repairing and shipbuilding company on the Tagus Estuary, became Portugal's biggest single foreign exchange earner.

Although this owed more to the poor performance of other sectors than to any spectacular achievement by the yard itself, it does provide a pointer to the strategic position ship-repairing and ship-building have come to occupy in the Portuguese economy as a whole. The shipyards also provide a convenient starting point for an analysis of the country's troubled engineering industry. The prominence achieved by ship-repairing and ship-building has occurred over the relatively short period of eight years, since the opening by Lisnave of its yard on the South bank of the Tagus designed to cope with super-tankers.

The yard was opened in June, 1967 just as the six-day war brought the closure of the Suez Canal and the phenomenal growth in super-tanker traffic around the Cape from the Gulf to Western Europe. The south yard was initially conceived with two docks, one for vessels of 100,000 tons dwt. and another for up to 350 tons dwt. So great was the demand for Lisnave's services, however, that only four years after the opening of the south yard, its facilities were expanded to include the world's biggest ship repair dock, capable of handling 1m.-ton ship if such a monster was ever built. While the tanker boom lasted, Lisnave prospered since its geographical location is ideal for servicing the tanker trade. Generally speaking, a super-tanker's tanks need three days for their gases to disperse before they can be cleaned. The Tagus Estuary is roughly three days steaming from the major European oil terminals like Rotterdam, so Lisnave was able to offer owners the advantage of spending the three days waiting for the gases to disperse at sea instead of waiting in port and running-up harbour dues. In 1973, the last year of the tanker boom, the company handled 229 tankers, including 69 of over 150 000 tons, earnings more than Esc.2.8bn. in the process.

Expanded

The company modified two small tankers into floating cleaning stations, and its range of services was expanded further by investing $2.5m. in a special grit-blasting process.

It was inevitable that Portuguese ship-repairing would feel the effects of the dramatic collapse of the tanker market following the Yom Kippur war in 1973. As more and more tankers were laid up, as cruising speeds were reduced and maintenance cycles made longer, it became clear that the happy days of being able to turn away business were over. on top of this, the industry was faced with the consequences of the political upheaval in Portugal since the April 25 coup in 1974 ended almost half a century of dictatorship.

Trade unions, stifled under the old regime, produced a rash of demands for higher wages and better conditions, while the new political atmosphere spread to the factory floor where workers were no longer quite so willing to obey orders unquestioningly. The consequences of higher wages, shorter hours, longer holidays and the abolition of the third shift have left Lisnave with an estimated 30 per cent. reduction in productive capacity and a 50 per cent. rise in costs since April last year.

Although the effects of this have to some extent been offset by the generally sluggish state of the tanker market and cost-inflation among its competitors, the yard has lost some of its most valuable clients, particularly among sorely-hit Norwegian independent operators, who are reluctant to put the few vessels which are still showing a profit, those on time-charters, into the Tagus for fear of prolonged immobilisation. To meet this fear, Portuguese ship-repairers have introduced a special insurance scheme to compensate owners for losses caused by delays.

Nervousness

The extent of the public relations battle they face to overcome customer nervousness was illustrated by the owner whose ship was waiting to go into the Tagus the day after the huge Sunday demonstration last month by the Communists and their trade union allies. On hearing of the demonstration, the owner radioed the ship to leave Portuguese waters immediately.

It is against this background that Lisnave's three foreign shareholders—Eriksbergs and Kockums of Sweden and the Schelde Verome Group of Holland who together control 40 per cent. of the equity — have prevailed upon the Portuguese Government to accept the return of the company's former chairman, Dr. Alvaro Barreto, who quit three months ago in protest at the lack of managerial authority. His return, in conjunction with steps to widen the company's capital base, are believed to be part of a 12-month plan to restore confidence and to try to recapture Lisnave's former pre-eminence.

The campaign to do this will coincide with the official launching of the wholly State-owned Setenave yard at Setubal, 25 miles south-east of Lisbon. Although Lisnave and Setenave retain separate corporate identities the two are now operating in tandem on the marketing front. Setenave is another victim of the collapse of the tanker market. Initially conceived as the first European yard designed wholly for building VLCCs and ULCCs, it is now being forced to change its orientation towards building smaller ships and to entering the repairing market. The yard's first vessel, a hull for a super-tanker to be fitted out in Sweden for the Portuguese line, Sopanata, is expected to be launched next April.

By this date, Setenave will represent an investment totalling $120m. and will have a unique building dock constructed at ground level. The dock, designed by a Portuguese engineer, is surrounded by concrete walls. Launching is performed by fitting special doors to the end of the dock and then pumping it full of water until the ship is afloat and can be moved into the Sabo Estuary on which the yard stands.

Apart from the hull currently under construction, Setenave has only one other building order on its books—again from Sopanata for a super-tanker which will be fitted out at Setubal.

The seriousness of the situation is not underestimated by those entrusted with attending the yard's difficult birth, and a major sales campaign is about to be launched in conjunction with Lisnave on the repairing side but also with the aim of trying to win building business from Third World countries who are trying to develop their own merchant fleets.

The world which Setenave is about to enter is very different from that which existed at the time of its conception. Its magnificent capital equipment, which includes a 600 ton gantry crane, was installed to build big ships. Its use on smaller vessels is a more costly process than would have been the case if the yard had been specifically designed for such building. Again, despite its favourable location and the fact that it will benefit from Lisnave's reputation, Setenave also faces competition from other new European yards like the repair dock at Marseilles-Fos, which has now started operating.

A reference was made earlier to the strategic role ship-repairing and shipbuilding have come to play in the Portuguese economy. This is not just because of their contribution to Portugal's foreign earnings. Nor is it because they are the country's biggest employers after the railways and the post office, with a total workforce of 16,000. Ship-repairing and ship-building have had a considerable spin-off effect on Portuguese engineering as a whole, and their future development is likely to play a key part in determining the extent to which the country can escape from its relative backwardness as a manufacturing force.

To cite one example, the Mague engineering concern had never built a big gantry crane until it won the order for a 300-tonner for the Lisnave south yard. Since then, similar orders have been won from General Dynamics in the U.S., for the dock which Bahrain is building with Lisnave's assistance, and for the Setenave yard. Mague is now involved in discussions with West German interests to set up a joint manufacturing agreement.

Another area where the shipyards are of potential importance is the extent to which Portugal can hope to become an important producer of iron and steel. For the moment Setenave is importing steel plate from Japan because there is no Portuguese source of supply. The development of big metal-consuming industries will be vital if the local iron and steel industry, whose output last year totalled only 68,352 tons, is to develop beyond its domination by relative[...] and inefficient compani[...]

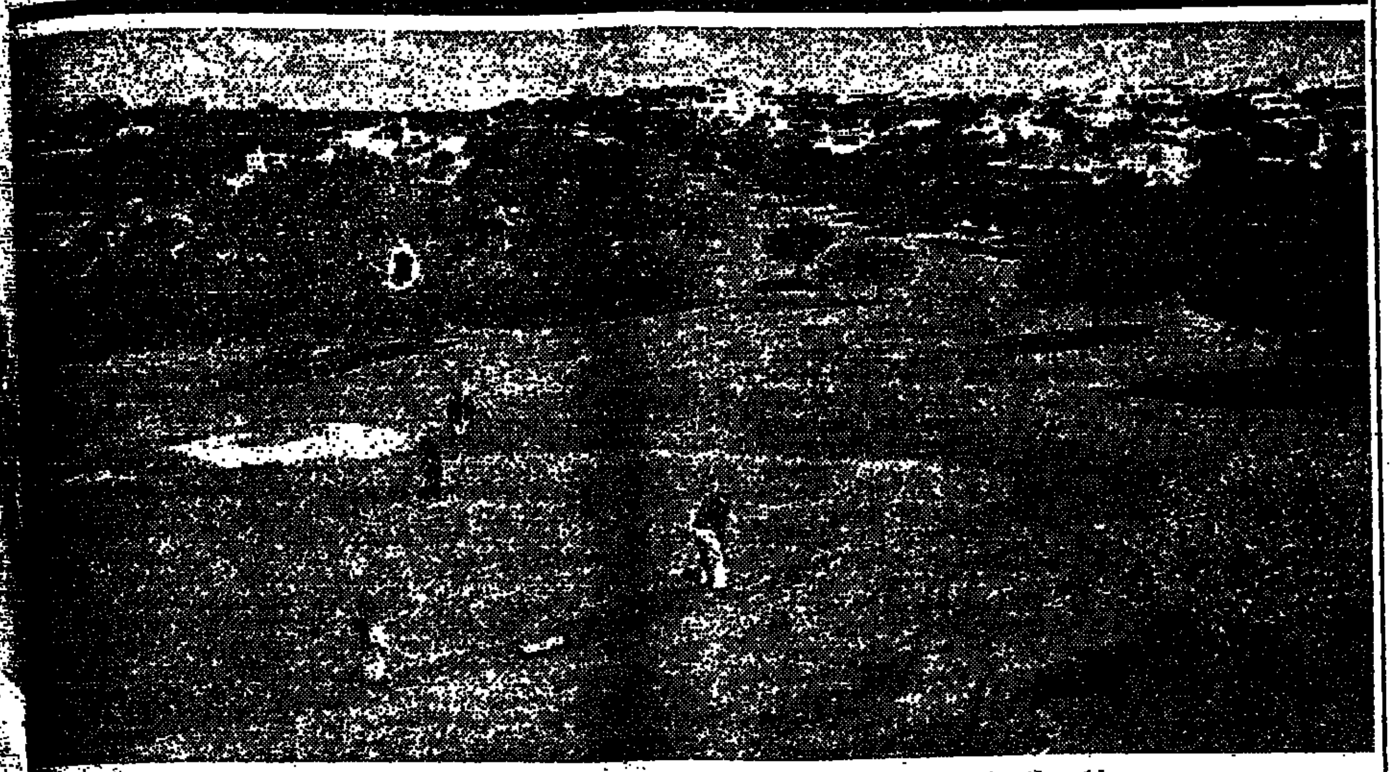
The dominant posi[...] the shipyards also po[...] the lack of coherence [...] country's engineering [...] tries as a whole. Thi[...] tion whereby a handful [...] equipped and efficier[...] panies jostle with sc[...] small ones leaves all Po[...] companies particularly [...] able. Lacking a big domestic market to [...] them from trends ir[...] markets, they are forced [...] pete on unfavourable [...] abroad. At the same tin[...] heavy reliance on ii[...] components and raw n[...] makes them vulnera[...] imported cost-inflatior[...] result is that even tho[...] panies which have succe[...] winning overseas orde[...] quite frequently foun[...] selves in loss-making s[...] That, however, is the l[...] situation which can [...] resolved through st[...] changes to the Po[...] economy.

Decline

In the short ru[...] engineering sector face[...] down parallelling the d[...] the economy as a [...] Engineering compani[...] estimated to be opera[...] only 60 per cent. of th[...] productive capacity, a [...] menon which only a [...] public works progra[...] likely to recitfy. In [...] mediate future, howev[...] a programme depends [...] the Government's cap[...] orient itself towards [...] global economic strat[...] the willingness of P[...] international partners [...] extremely generous aid [...] indicated in the introd[...] this Survey, however, [...] of these conditions as [...] Until they do so, the [...] of these industries a[...] to become increasin[...] nected to liquidity. [...] result that the traditio[...] lem of under-investn[...] only grow more intens[...]

Paul [...]

PORTUGUESE INDUSTRY AND FINANCE IV



The golf course designed by Henry Cotton at Vale do Tobo in the Algarve.

An anxious time for tourism

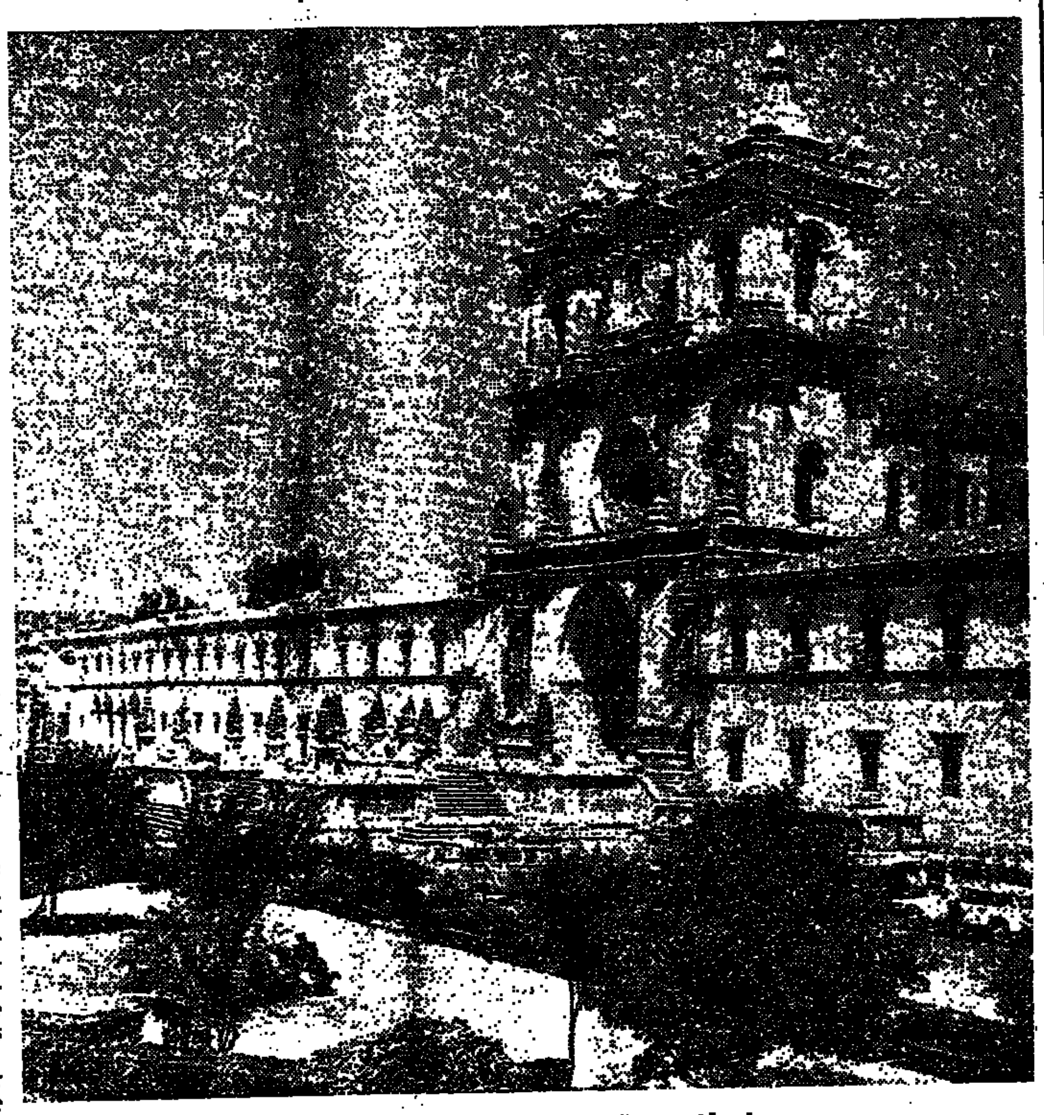
; THE HOLIDAY booking ason in northern Europe ters its peak period the rtuguese tourist industry ist be looking into its crystal ll and wondering what on rth its own prospects for 76 are. There can be little ubt that for those fortunate have chosen Portugal for eir holiday over the past year e result must have been quite revelation. In spite of all the ncern about the internal litics of the country, here was place of quiet beaches and ger service. The problem for e country over the last few onths has been, of course, unrtainty. No matter how pealing those quiet beaches ay be from a distance, there wers at the back of any family ind the fear that at any time sturbances may be such that rspace may be closed or the reets disturbed. "Ah, but it as never actually happened," ay the hoteliers of the Algarve. : is extremely difficult to coney to them that it is not fact hat deters tourists, it is fear.

mage

It is for that reason that the ast few weks of relative calm ithin the country must surely ave done more good for Porguese tourism that any televin or public relations camign. Headlines are almost the t thing that Portugal needs the moment.

Perhaps more than any other lustry tourism relies on image her than reality. Once a tination has become saddled h an image of uncertainty it extremely difficult for it to nb back to its former status. r years Portugal's corner of market has been that of a iable family destination far m the disturbances of other ces and relatively insulated m the boisterous rough and able of some other resorts on Iberian peninsula. Inevity it is just this market which the most sensitive to any nge, as the Portuguese have nd.

ne of the dangers now, of rse, is that there will be an i-tourism backlash in the ntry. If tourism is such a le industry, should we be reliant upon it? Unfortuna-, fickle as it might be, tours posibly the quickest way importing foreign currency. ticularly when you are as l equipped to handle the as Portugal is to-day.



The monastery of Santa Maria at Algobara.

It is an oft stated truism of tourists that they are not interested in politics, only in whether they and their families are safe on the streets. This is one of the lessons Portugal is learning. Whatever political way the nation chooses is of little or no concern to the man in Wisconsin, Windsor or Weisbaden, who is basically only bothered about whether he can get there when he wants to, get home when he chooses, and be left alone to enjoy his vacation while he is there. But talk is is not enough. These tourists also want to see a few months of fact to back it up.

Those few months now seem to be in progress and, if they can be sustained, the prospects for 1976 in Portugal's tourist areas can be quite bright. No one is pretending that the coming 12 months will be particularly booming ones for the travel industry globally, but Portugal potentially has an opportunity to do rather better than most.

This is partly due to international nervousness over its large neighbour, Spain. The world's travel industry has yet to work out its view of the change at the top in Madrid, but no matter how optimistic that may be there is a general eagerness to place a few eggs in other baskets. There are two sides to this particular coin. Portugal could gain by offering those beds, but it also stands to lose a little by its sheer physical proximity to Spain. The Algarve is already upset by being associated with the unruly north which is several hours' drive away, that it might be associated with Spain too would come as a very rude shock.

Once the political pendulum in Portugal has settled, the nation will have to decide on its course for the touristic future. In the short-term it has to decide whether or not to launch an all out campaign on filling the available accommodation in 1976; after that it must choose its medium view policy given that same accommodation; and then it must take a long-term look at whether or not the type of tourist economy it has had for the past two decades is the right one for the next two.

None of these questions are easy ones to answer. At an early stage of 1975 a substantial world-wide publicity effort was embarked upon (pleasant enough in concept but hamfisted in execution on TV as far as the U.K. was concerned) only to have much of the work nullified by early season street violence. The nation cannot afford too many of these hard currency excursions and will have to think carefully over whether any similar effort in the spring of 1976 is likely to be rewarding.

It is not yet clear what medium term view is likely to emerge from Lisbon in view of the most recent switches in political thinking. The accommodation of Portugal, or at least that used by northern European and north American visitors, is solidly middle class to up-market stuff. The smooth golf courses of the Atlantic coasts and the white walled villas of the hills were not designed for mass-market packagers to come pouring in off packed wide-bodied jets. And yet some thought has been given to "broadening the base" of the country's tourist market, a view which may take some effort, and perhaps financial loss, in translation from theory to fact.

In the longer term, however, there is no particular reason why Portugal should not aim at a wider audience. It has ample coastal space and, while the environmentalists may shout a little at the high rise buildings which may be necessary if mass travel is to become a feature of parts of the Portuguese tourist economy, there is little doubt that the benefits to both the exchequer and the labour force could be sizeable. Spain, until its own recent change at least, was retreating from the mass market in as much as it can after so deep a commitment, so once again Portugal may well have a chance to expand into that area.

Investments

All that, nevertheless, is a long way away. If Portugal does choose to go into the mass market it will need substantial airport, sewage, hotel and facilities investment. Since its present capacity is under-utilised there would seem to be time to pause a while and think.

Over the next few months Portugal must convince the tour operators and airlines of the world that it is worth offering capacity to the nation's resort areas, and it must after that convince the customers that the trip is worth taking.

This may not be easy. The travellers of the world are in cautious mood at the moment and will need a great deal of convincing. Nonetheless Portugal has a great deal of latent goodwill remaining among holidaymakers who have enjoyed it over the year, and it could well be that the worst, for the tourist industry at least, is over.

Arthur Sandles

Farm reform falls shor

THE CRUNCH for Portugal's agriculture comes during this next year. Whatever the political changes in Lisbon since November 25 and the abortive leftist uprising, they came too late for the land: seedtime is past, and if the Ministry's estimates are correct, agricultural production in 1976 is going to be down by at least 30 per cent.

Sadly, the drop is directly attributable to the chaotic application of the revolutionary agrarian reform programme: it is sad because the principles behind the reforms are accepted by all Portugal's politicians, yet the way in which they have been used may well now cause a backlash and slow the conversion of the entire agricultural sector to modern farming, an essential aim of the politicians committed to ending the iniquities of pre-revolutionary agrarian Portugal.

The worst chaos is in the Southern Alentejo, where the great landlords held sway over farms often as large as 6,000 acres. But the fear the reforms bred in the medium and small farmer—aptly played upon by the centre and right-wing parties who continue to make vote-seeking capital on this theme—have spread a certain degree of disorder into central and northern Portugal too, exacerbated by wildcat occupations of farms in these regions by Lisbon leftists.

What the socialists at least are now committed to doing is to enable the agrarian reform institute to administer the lands now under workers' control through legal occupations, to speed up the flow of credits to the medium and small farmer and reassure him about the Government's intentions—and to press as hard as possible for wider trading agreements with the Common Market Nine for Portugal's overwhelmingly agricultural foreign exchange earners: paper, pulp, tomato paste, wines and cork make up over 50 per cent. of total exports in value terms.

The two immediate problems are feeding the country and keeping up export earnings. The fall in agricultural production expected next year is a dramatic prospect for a country never able to feed itself at the best of times, since it implies a further drain on foreign reserves. Already half the import bill is spent on food, and during 1974 the combination of higher post-revolutionary wages (which had an immediate impact on changing food consumption patterns) and of an exceptionally bad 1973 harvest (due to a rainfall scarcity) boosted food imports alarmingly.

At the end of this year the food picture is not all gloom, however. Production for once has been exceptionally high—not only did the big landlords plough and sow normally last winter but the tentative beginnings of agrarian reform brought extra acreage under plough by those worried by the possibilities of future expropriation of unused land. Then the beginnings of workers control of the land also expanded tilled acreage.

Record

Luck held, and climatically 1975 has been a good year. Consequently the grain crop is estimated to be a record one, and to fill the demand gap, the Government also took advantage of a good Romanian wheat deal early in the Autumn (before the Soviet grain estimates came out).

This winter, however, agrarian reform entered its wildcat phase of illegal occupations and even medium and small farmers became worried. Acreage under plough is dramatically down: the big landlords gave up altogether, while the Agrarian Reform Institute was besieged with demands for credit from the workers' commissions administering legally occupied farms.

A slow and clogged credit pipeline, difficulties with spare parts for farm machinery and an Agrarian Reform Institute up to its ears in demands for planning assistance have thus contributed to hampering the effectiveness of the agrarian revolution. There is no lack of will on the part of the farmworkers—on the contrary one meets an overwhelming desire in the countryside to get on with the job. But administrative problems have resulted in a lot of land lying fallow.

And wheat is not the only problem—some of the occupation led to unplanned slaughtering of cattle and both dairy and breeding herds have suffered.

On the agro-industrial and exports side, the picture is more gloomy. Despite all affirmations of goodwill, the nine Common Market countries have balked at offering Portugal the concessions it so desperately needs on trading with the EEC. Ironically, during the long months of the Communist thrust, when the Nine were pleading political distaste for the job of aiding Portugal, it seemed that once a social democracy was clearly on its way the trading concessions might come. To-day, this is patently not to be and the Nine only two weeks ago decided to protect their own industries, and to postpone renegotiation with Portugal on the vital exports of wine, tomatoes and canned fish until the New Year.

Wine is perhaps the most acute problem, with repercussions for hundreds of thousands of northern Portuguese. But production of tomato paste and pulp also employs thousands of rural workers: some plants have already reached the point of threatening to shut down.

It is not only a question of fighting for orders within the EEC. Exports of Italian tomato paste at low prices outside the Common Market are pricing the Portuguese export out of other vital markets—Canada is one example.

Cork and paper pulp have also had a bad year. The European recession sliced demand and foreign clients, as elsewhere in industry, cut back orders to Portugal before they pruned elsewhere. The pulp processing comp some nationalised, such Companhia Uniao Fabr subsidiary—have tried t tain production, but have fallen by at least cent. Stocks, which in a year stand at 5-6 per production, are now at per cent. Costing h heavily affected by wage contracts, whic stipulate round the ye tracts compared with contracts in Sweden, ample. Then sales ha affected by Eastern E paper dumping, often a substantially lower per European fixed pulp p

Fishing

As far as Portugal's tural exports go, then been a bad year, not h the problems in the industry. Sardine ca major export earner— sharply reduced follo rise in the price of P olive oil—again a con of higher agricultura Portuguese sardines longer compete with t priced North African fish, particularly from

The effects on th balance and on Portu serves are clear—as effects on the 30 per the population still on the land. Unless reform can be organised, and the will to work hard amo gal's desperately poor, largely illiterate peasar tion channelled in administered agricultu sion programmes, Government finally from the promised sp tions will face not onl economic bankruptcy deservedly angry illusioned rural popul

The people will covered it is not enoug "the land for the w unless the Government the workers to do wha Portuguese landowning were never able to the land to the full. challenge both for the the farmworkers.

Jane B

Chemicals and textiles

WHEN THE Common Market countries last July reimposed duties on Portuguese textile exports, it seemed like the final blow to an industry already suffering from the European recession and from yawning empty order books—as well as from chronic structural problems caused by the changeover from pre-revolutionary low wages, and a plethora of inefficient and small family businesses unable to compete in the unprotected post-revolutionary world.

Textiles—both cloth and ready-to-wear—have been Portugal's major manufactured exports for more than a decade—and before the April 25 revolution Dr. Caetano's state was already making plans to expand the sector by introducing more developed petrochemicals and putting the artificial and synthetic fibre production on to a surer footing.

Refinery

To-day, the Sines petrochemical complex, linked to a new refinery, a steamcracking plant and a series of other projects designed to increase polymer production, is still being pushed ahead. But Portugal's textile manufacturers are gloomy about their chances of penetrating further into the European market, for which the investment was largely intended.

This year, despite the problems over foreign orders which fell off markedly after March, textiles still provided 28 per cent. of Portugal's foreign exchange earnings. Production fell off 24 per cent. between July and October and 22 per cent. during the period January to July compared with the same seven months in 1974. This has caused deep anxiety among the industry's 300,000 employees.

As in other sectors of manufacturing industry, the textile companies are beset with structural problems caused by the sharp change from artificially low wages and a tame labour force to a fair paypacket, more militant unions, higher employers' contributions—while at the same time suffering from the general European recession that has hit sales.

Although at first it looked as though the employers would have a tough time meeting union demands—and the women employed in the industry, like their counterparts in the electronics industry, proved tough bargainers—the state of crisis in the industry caused by the fall-off in foreign orders has resulted in thousands of workers voluntarily rescinding their right even to be Esc.4,000 a month minimum guaranteed wage—about £72 a month.

None-the-less, even with such voluntary low wages, many of the industry's thousands of family businesses face bankruptcy—unless the Government steps in not with emergency credits but with a fundamental restructuring plan such as France has had to employ over the past decade. Nothing, it appears, has yet been done in this direction despite continuous pleas from the Confederation of Portuguese Industry, whose clients are now almost exclusively just these small and medium size entrepreneurs labouring against enormous odds.

How have the bigger and more competitive companies fared? They claim everything in the garden is pretty good. Obviously they have had labour problems—but it has been, so they say, more in the nature of their changing relationship with employees, and the growth during the year of the power of the workers' committees. It has not, they say, affected production, and one large firm in Oporto claims that only one day's production has been lost this year.

What has hit them, irrespective of their competitivity on prices and their ability to respect delivery dates, is the sales slump. Stocks are now amassing at an alarming rate.

Can the Sines petrochemical complex help? In the restructuring perspective, yes. But in the meanwhile there is a gloomy 1976 ahead unless export markets open up.

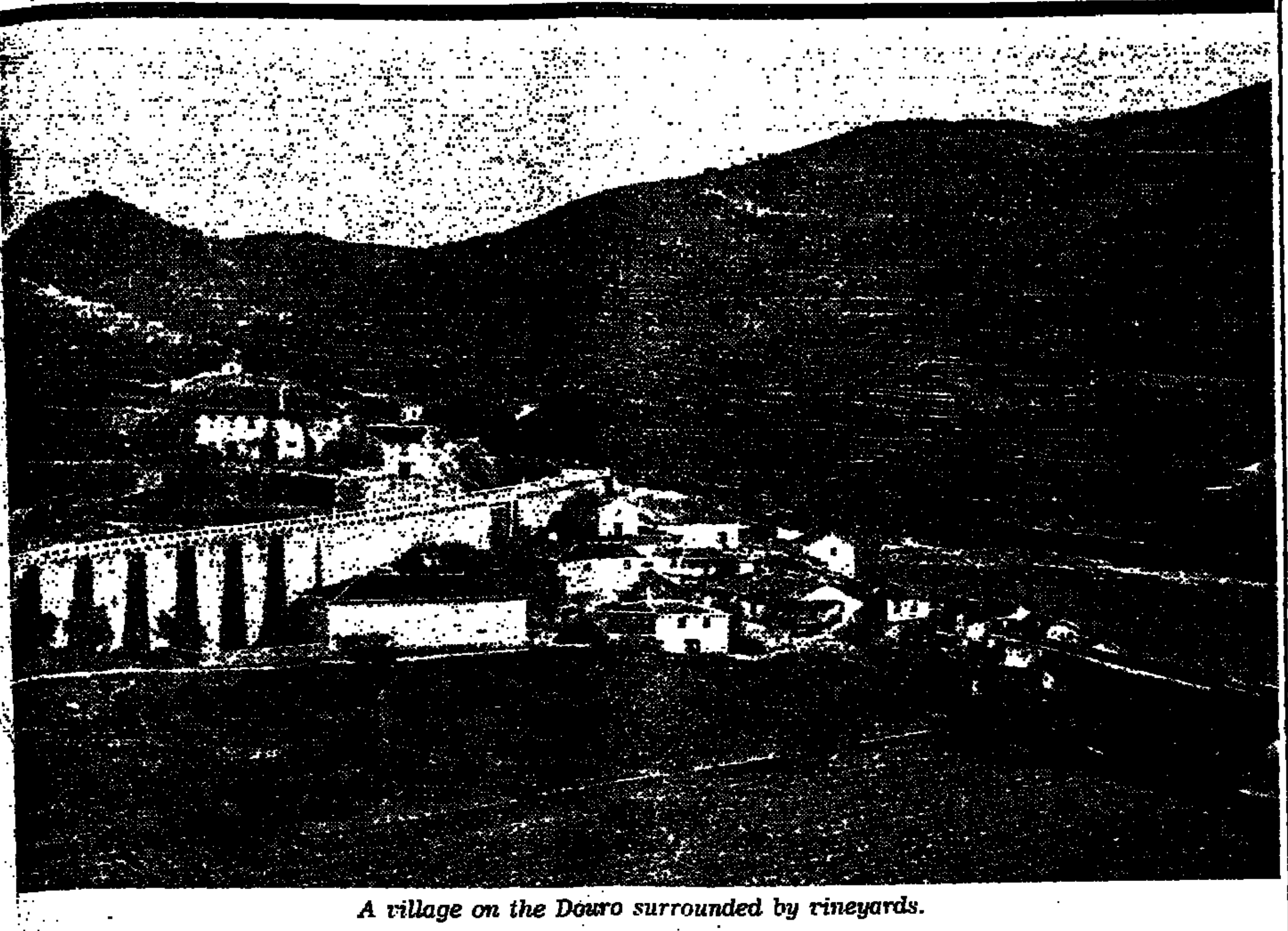
Meanwhile in the Sines planners' offices things are progressing, at least in some respects, more or less according to plan. The new oil refinery is now at the assembly stage and only 2-3 months delay is scheduled so far on the original date for the refinery to go on stream—May, 1977. Costs, of course, have inevitably risen, and the new estimate for the refinery alone, revised at the end of 1974 with allowances for inflation, stands at Esc.10bn. (£180m.).

Trouble has come, however, with financing for the steam cracker. The foreign sources of financing for the project, which is being built by an international consortium including American and West German interests, have momentarily at least begun shifting their enthusiasm for the project elsewhere. And although tenders are now being examined for construction work, there is no immediate prospect of work beginning while the financial side is still entirely up in the air.

Meanwhile paints, the other major manufacturing side of the chemical industry has stoically faced up to an almost total halt in the building industry and has accumulated the large stocks which are a common feature of Portuguese industry to-day.

If the European recession swings round, if Portugal's political direction is found acceptable, and if consequently, the Common Market countries come up with a reasonable trading offer—as they have repeatedly promised, in Lisbon at least—in the New Year, then perhaps the industry will be able to survive and to launch into a phase of restructuring that will place it on a par with modern textile manufacturers elsewhere. Until such a time, perhaps half a dozen companies can continue to operate successfully — and around 250,000 Portuguese stand to lose their jobs.

Jane Bergerol



A village on the Douro surrounded by vineyards.

Wine needs to find new markets

ORTUGAL IS the home of two ue best known international ines—Port and Mateus Rose, e latter being arguably the ngle most popular branded ine in the world. Two other ines with well-established lentities are Muscatel Setubal d Madeira, both of which, like ort, are fortified wines.

But outside these successes—d Mateus Rose has been a arketing man's dream despite e fact that the wine tends to ivide people rather sharply ito for and against camps—ortugal has found foreign cceptance of its table wines isappointing.

Over the past year, however, he uncertainties surrounding ortugal have affected the posi-ion of the whole wine industry, nd even though Mateus Rose has perhaps held up better than other wines, its price has been increasing. Production has been hit in certain areas of the country, and the position has been exacerbated by the controversy at the beginning of this year over the alleged use of synthetic alcohol for the fortification of port wine.

Another problem must have arisen from Portugal's withdrawal from its African colonies of Mozambique and Angola, which were markets for a good proportion of Portugal's table wine exports.

Clearly, then, difficulties confront the wine industry, but efforts are nonetheless being made to re-establish the strong position of port on the international front and to achieve greater acceptance overseas of the whole range of wine products.

For the importance of the industry to the national economy cannot be stressed too strongly. Although it has slipped one place in recent years in the country's export table, wine still is the fourth largest foreign currency earner after textiles, clothing and wood.

Table wine exports in the first nine months of 1975, according to wine clearances, were down some 19 per cent. on the comparable 1974 figure of 803,000 gallons. How accurate an indication of the general trend this is remains to be seen though. The final pull-out from Mozambique and Angola came towards the end of the year—and after the 1975 third quarter in respect of Angola — and while the percentage of total table wine exports to those countries has apparently been falling over the past two years or so it seems likely that the effects of withdrawal will show through fairly noticeably eventually. Some estimates put the Mozambique/Angola content of table wine exports as high as 60 per cent., although a spokesman at the Portuguese Trade Office in London put it much lower—about 35 to 40 per cent.

There are currently commissions in Portugal looking into the whole question of a strategy for the table wine industry, as a result of which it appears that a marketing policy may be established for operation next year, this year having been one in which little marketing effort has taken place. Although it is not yet clear what form the marketing effort will take, it seems possible that it will concentrate on brands to try and establish an identity for the table wines of Portugal, something which is largely lacking at present.

Popular

Two of the major table wine areas are the Dao and Oeste regions, the former being towards the north and Oeste, where a large proportion of Justina wine marketed by the IDV subsidiary of Grand Metropolitan comes from, close to Lisbon. These wines tend to be most popular overseas. In the north is the Vinho Verde region, which produces young wines which do not keep particularly well and which some feel do not travel well and thus have limited export potential. The Bairrada region grapes are used mainly for Portugal's sparkling wines and then, in the Tagus Valley, are the main wines used for blending purposes. In the Cartaxo region wines are popular with the Portuguese but are not particularly liked outside the country, while Lagoa, a small area, produces bull-bodied red wine, which is apparently popular among tourists in the Algarve in the south.

Perhaps the major problem which Portugal faces with its table wines is finding acceptance in one of the most difficult areas of the international wine market—the medium priced variety. For the country does not produce wines which would be acceptable outside the country at the bottom end of the wine market, and many consider that the quality of their export wines merits a medium price. Compounding this problem is the fact that, in Europe, where the country would probably like to establish a presence of a major scale, it faces tariff barriers inside the EEC countries which make it even more difficult to compete with France, Germany and Italy.

In the U.K., Portuguese table wines are available fairly readily through mail order concerns and some hotels, but the wine retailing sector, according to the Portuguese Trade Office, is such that Portuguese table wines find difficulty in getting shelf space. Wine shops will take Mateus Rose since it sells well, but will hesitate to take a largely unidentifiable table wine.

Tariff

As far as Portuguese fortified wines are concerned, special tariff arrangements exist with the EEC which enable prices to remain competitive with Italian and French vermouths, until more recently when price rises of the past year, partly due to costs, such as wages, rising at the production stage have given vermouths and similar fortified wines the competitive edge. At the present time, talks are under way between Portugal and the EEC Commission to enable exports of fortified wines to be increased to Common Market countries.

With fortified wine, the "synthetic alcohol" incident has undoubtedly done quite a lot of harm to the port wine trade. When tests undertaken in Germany last year as a matter of routine to establish authenticity of age of port shipments pointed to a synthetic alcohol having been used for fortification, rather than a grape-based alcohol, the repercussions were such that Germany refused some shipments, while Italy and France—the latter being the single largest market for port exports, with Britain in second place—returned stocks. Three commissions were set up in Portugal in the wake of this to carry out an inquiry and to sort out the situation.

As a result, statistics are none too accurate as to subsequent exports, but it would seem that port wine shipments to France in the January-November period this year are down some 23 per cent., while there has been a 50 per cent. fall in exports to Italy.

The shipments to Germany, however, have increased by 39 per cent., although how much this is due to earlier shipments having been refused and then made up with new wines is not clear. Shipments to the U.K., where ownership exists of a large part of the port wine industry, have also been adversely affected.

Production of port wine this year will be affected by a relatively poor grape harvest. Some estimates suggest a 30 per cent. fall on last year, although the significance of this must be seen in the light of the fact that only a proportion of grapes grown in the Duoro port wine region is ever used for port.

The Instituto do Vinho do Porto, the Government-sponsored body which controls policy, research, stock and quality aspects of port, has approved a production level this year which will produce about 90,000 pipes of port. It is unlikely that all this will be shipped, and some element of stocking up to make up for the losses due to the synthetic alcohol incident seems likely.

Despite its problems this year, in particular, the Portuguese wine industry still has a very strong base and official thinking is clearly aimed at re-establishing its name overseas. Time will tell how much the port trade, for example, will be affected, but it will not be the first time that it has had to pull its way back again.

Nicholas Leslie

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94⅝	Exch 6½pc 1976‡	99⅛	.....	6.56	11.11
97¾	92¼	Treasury 6½pc 1976‡	97⅛	.....	6.70	11.07
99	97	Victory 4pc 1976‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡	99⅛	.....	10.56	11.11
93½	88⅞	Treasury 6½pc 1977‡	95⅛	.....	6.57	10.58
95½	55¾	Electric 3pc '74-77	95	.....	3.16	7.27
103⅞	96⅞	Treasury 11½pc '77‡	100⅛	−½	11.40	10.90
95¼	84	Treasury 3pc '77‡	93½	−⅛	3.22	6.88
92¼	84½	Transport 4pc '72-77	92⅛xd	+⅛	4.34	8.08
95⅛	90½	Treasury 9pc 1978‡	94¼	+⅛	9.50	11.70
100⅛	95	Treasury 10½pc '78‡	97⅛xd	+⅛	10.73	11.53
86⅝	79	Exchequer 5pc '76-78‡	88⅝	.....	5.64	9.76
103	94⅛	Treasury 11½pc '79‡	100⅛	+½	11.49	11.45
81⅞	71¼	Treasury 3pc '79‡	81⅞	.....	3.66	8.76
85⅞	73⅞	Electric 4¼pc '74-79	83⅞	.....	5.09	9.58
100⅛	94½	Treasury 10½pc '79‡	95⅛	+⅛	10.97	11.90
95⅛	95⅛	Do 10½pc 1979 'A'	95⅛	+⅛	10.97	11.91
82⅞	71	Electric 3½pc '76-79	82⅞	.....	4.25	8.93
95	84	Treasury 9pc 1980‡	90⅛	+⅛	9.99	12.05
95⅛	89¼	Treasury 9½pc '80‡	91⅛	+⅛	10.41	12.10
82⅞	68¼	Treasury 3½pc '77-80	82⅞xd	.....	4.25	8.27
85⅛	71	Funding 5¼pc '78-80‡	85¼xd	.....	6.16	9.38
		Five to Fifteen Years				
97½	93⅞	Treasury 11½pc 1981	96¼xd	+¼	12.07	12.16
79½	66⅛	Do 3½pc '79-81	79½	+¼	4.47	8.81
91½	72⅞	Do 8½pc '80-82‡	84¼xd	+¼	10.14	12.02
104⅜	86⅝	Treasury 12pc 1983‡	100	+¼	12.37	12.64
76	58	Funding 5½pc '82-84‡	71⅜xd	+½	7.75	10.83
85¼	61⅞	Treasury 8½pc '84-86‡	77½xd	+⅛	11.04	12.27
73¼	51⅞	Funding 6½pc '85-87‡	67½	+⅛	9.75	11.92
76¼	53	Treasury 7¾pc '85-88‡	72½	+⅛	11.16	12.76
47¼	32⅞	Transport 3pc '78-88	43¾xd	+⅛	6.87	11.61

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 65% (based on $2.0220 per £)

CANADIANS

S.E. List Premium 65% (based on $2.0480 per £)

Conversion factor 0.6013 (0.6054)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

390	196	Messina R0.50	285	......	Q35c	1.9	6.8

MISCELLANEOUS

8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	27	...	—	—	—
115	40	Colby Mines $1	58	+1	—	—	—
830	560	Cons. Murch 10c	820xd	+50	Q80c	♦	5.4
53½	29½	Laurasia	32½	−½	—	—	—
375	200	Northgate C$1	247	+7	tQ25c	1.0	5.6
211	80	R.T.Z.	182	+2	g5.51	4.4	4.7
135	47½	Sabina Inds. C$1	97	−8	—	—	—
81	45	Stanford Mines	48		—	—	—
£12½	874	Tara Exptn. $1	£10¾	+½	—	—	—
78	38	Yukon Cons. C$1	78		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- → Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ♠ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES

Thursday December 18 1975

South Africa admits troops in Angola

BY BRIDGET BLOOM IN LONDON AND GRAHAM HATTON IN JOHANNESBURG

SOUTH AFRICA acknowledged yesterday that four of its soldiers had been captured by the MPLA (Popular Movement for the Liberation of Angola) thus by implication confirming for the first time that regular South African troops are engaged in Angola far from the border with South African administered Namibia (South West Africa).

Confirming the captures, Mr. Peter Botha, the South African Defence Minister, again underlined the country's commitment in the Angola area, by announcing the extension of the period of national service required from white South Africans.

He said a number of citizen reserves (national service) units would be sent to the "operational area." This was "not a panic measure but is intended to increase effectiveness."

Until now, although there has been much circumstantial evidence that South African troops were fighting on the side of the UNITA (National Union for the Total Independence of Angola) and FNLA (National Front for the Liberation of Angola) coalition in Angola, the South African Government has itself denied that its army was doing anything more than guarding the joint Angolan/South African Cunene dam project along the Namibian border.

Yesterday's statement from Mr. Botha was in response to a Press conference given by the MPLA in Luanda on Tuesday, in which four South African soldiers—a corporal and three privates—were produced. They said they had been captured along the southern front, between Cela and Quibala, nearly 500 miles from the Namibian border.

Yesterday at the UN, Mr. Elisio de Figueredo, the MPLA's observer, claimed that about 50 more South African regular troops had been captured and that 11,200 troops from Zaire as well as 4,000 from South Africa were fighting in Angola.

Mr. Botha's terse statement did not say where the men—whose names and army numbers tallied with those given by the MPLA—had been captured and Defence Ministry officials were not available for comment.

The statement, after naming the four South Africans, said the men belonged to the "technical corps" whose personnel were only used for logistical duties. They "were sent out to fetch an unserviceable vehicle. It is presumed they got lost and were captured by the MFLA, because Radio Luanda announced that four members of the South African army were prisoners of the MPLA."

David Bell in Washington writes: Senior White House officials are now insisting that President Ford is opposed to any form of "combat intervention" in Angola by the U.S.

This was made clear in a background Press briefing clearly intended to assuage the growing concern here that Angola may be on the point of developing into "another Vietnam."

Editorial Comment, Page 18

New SE charges go to Price Commission

BY KEITH LEWIS, CITY STAFF

THE STOCK Exchange Council has announced the awaited new scale of commission charges which will now go forward to the Price Commission for approval. Proposals further include changes in the basis of commission sharing with agents.

The clearing banks, which receive 25 per cent. of any commission, will now have to pay a fee of £1,000 per annum, against nil before, in order to be included on the Register of Banks. Other agents, who take a 20 per cent. slice of commission, will have to pay £200 a year against £10.50 to be included on the General Register.

As a result of these moves it is expected that the latter list—made up mainly of solicitors and accountants—will be reduced.

The overall effect of the changes will give an average benefit to brokers of roughly 6.9 per cent. Of this figure, 3.9 per cent. will come from the increases in commissions, and the remainder will arise out of savings on commission sharing. In practice, the benefits are likely to vary considerably between the various broking houses.

The accompanying table shows that the increased costs for Ordinary and Preference share dealings will be in the £5,000-£15,000 range; previously there was a "nil" band between £20,000-£25,000. The smaller investor is therefore unaffected by the changes and it is anticipated that the smaller to medium-sized brokers will receive the greatest benefit.

The medium broker, who it is reckoned has suffered most from cost increases of around 26 per cent. over the past year, is expected to gain most from the *new commission sharing arrangements*. The larger broker should be relatively unaffected on all counts.

Another feature of the proposals is that agents will in future "be required to conform to the principles of the Stock Exchange Code of Dealing and to accept responsibility for the obligations of clients on whose account they share commission." This move was warmly welcomed yesterday since it means an area of bad debts will be eliminated.

On gilt-edged securities, an increase in the cost of bargains up to £50,000 will be offset by a decrease on bargains above this level. The basic rate increases from 0.5 per cent. to 0.6 per cent. for long-dated stocks, while in larger amounts over £250,000 commissions are to be reduced. The rules have also changed in that whereas a client could aggregate a number of bargains together and pay one commission fee, each bargain will now attract commission.

ORD. AND PREF. SHARES

Amount £	Effective rates % old	new
0-467	1½	1½
467-5,000	1¼	1½
5,000-7,000	1½	1¼
7,000-20,000	0.844	0.85
20,000-25,000	0.675	0.78
25,000-50,000	0.65	0.64
50,000-100,000	0.757	0.57
100,000-250,000	0.47	0.468
250,000-750,000	0.357	0.356
750,000-1,750,000	0.267	0.267
Over £1½m.	0.125	0.125

Weather

U.K. TODAY

CLOUDY, rain at times in Scotland, N. Ireland and the North West. Some snow on hills. Elsewhere, rather cold and dry. Sunny intervals, some rain later.

London, E. Anglia, Channel Is., S.E., S.W. and Cent. S. England, Midlands, S. Wales

A few showers, mainly dry with sunny intervals. Wind N.E., fresh, backing W. or N.W., light in places. Max. 5C (41F)—frost at night.

E., N.W., N.E. and Cent. N. England, N. Wales

Dry and bright at first, becoming cloudy with occasional rain. Wind W., moderate. Max. 6C (43F)—some early frost.

Lakes, I. of Man, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, S.W. and N.W. Scotland, Cent. Highlands, Argyll, N. Ireland

Mainly cloudy, occasional rain, perhaps preceded by snow on hills. Wind W., moderate or fresh. Max. 7C (45F).

Moray Firth, N.E. Scotland, Orkney, Shetland

Cloudy, occasional rain. Wind W., strong or gale. Max. 6C (43F).

Outlook: Dry in South, with overnight fog. Some rain or drizzle in North. Becoming colder in North.

Lighting-up: London, 16.22, Manchester 16.20, Glasgow 16.13, Belfast 16.28.

Snow Reports, Page 8

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	F	4	39	Madrid	R	5	41
Athens	C	15	59	Manchstr.	C	3	37
Bahrain	S	21	70	Melbourne	C	18	64
Barcelona	F	12	54	Mexico C.	S	21	70
Beirut	T	16	61	Milan	C	7	45
Belfast	S	3	37	Montreal	Sn	—9	16
Belgrade	C	11	52	Moscow	Sn	—3	26
Berlin	C	0	32	Munich	C	—3	27
Birmghm.	S	3	37	Newcastle	F	4	39
Bristol	C	4	39	New York	S	5	41
Brussels	Fg	0	32	Oslo	S	—3	27
Budapest	R	1	34	Paris	C	1	34
B. Aires	S	32	90	Perth	S	25	77
Cairo	S	22	72	Prague	C	—2	28
Cardiff	S	4	39	Reykjavik	C	1	34
Cologne	Fg	—1	30	Rio de J'o	S	28	82
Copnhagn.	S	—1	30	Rome	R	14	57
Dublin	C	4	39	Singapore	S	28	82
Edinb'rgh	S	2	36	Stockholm	S	—5	23
Frankfurt	C	1	34	Strasbourg	Sn	—2	28
Geneva	R	3	37	Sydney	Hz	33	91
Glasgow	S	3	37	Tehran	C	6	43
Helsinki	S	—10	14	Tel Aviv	F	16	61
H. Kong	S	12	54	Tokyo	S	9	48
Jo'burg.	R	16	61	Toronto	Sn	—3	25
Lisbon	S	12	54	Vienna	R	1	34
London	F	5	41	Warsaw	Sn	—1	30
Luxembrg.	C	—1	30	Zurich	C	—1	30

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	C	15	59	Istanbul	F	10	50
Algiers	S	19	66	Jersey	F	6	43
Biarritz	S	12	54	Las Plms.	R	17	63
Blackpool	F	3	37	Locarno	R	6	43
Bordeaux	Fg	6	43	Majorca	C	16	61
Boulogne	C	4	39	Malaga	C	11	52
Casablnca.	C	13	55	Nairobi	S	24	75
Cape Tn.	S	25	77	Naples	R	14	57
Corfu	C	16	61	Nice	S	13	55
Dubrovnik	R	14	57	Nicosia	C	14	57
Faro	S	13	57	Oporto	C	11	52
Florence	C	13	55	Rhodes	S	14	57
Funchal	C	17	63	Salzburg	C	—1	30
Gibraltar	F	12	54	Tangier	C	13	55
Guernsey	C	6	43	Tenerife	C	12	54
Innsbruck	S	2	36	Tunis	F	18	64
Inverness	F	2	36	Valencia	R	10	50
I. of Man	S	3	37	Venice	Fg	9	48

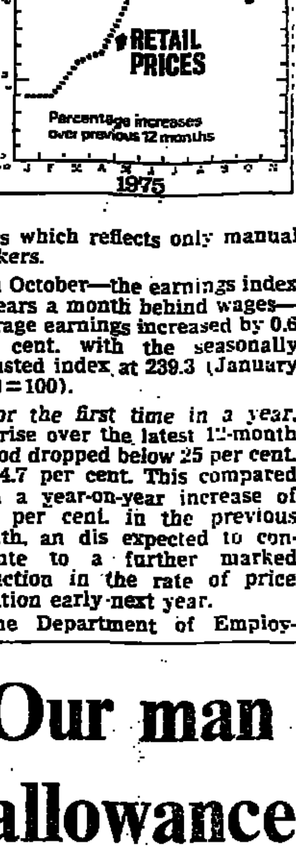
S—Sunny. Hz—Haze. F—Fair. C—Cloudy. Fg—Fog. R—Rain. T—Thunderstorm. Sn—Snow.

Policy working in spite of 4% pay jump in month

BY MICHAEL BLANDEN

THE INFLATIONARY pressure of wage rises has continued to slacken as a result of the Government's pay policy in spite of an exceptional jump in wage rates last month, it is believed in Whitehall.

Basic weekly wage rates increased by 4 per cent. in November, with the index at 193.6 (July 31, 1972=100) according to figures published by the Department of Employment.



Reverse

This was the biggest monthly rise since March, and took wage rates to a level 26.4 per cent. higher than a year earlier, against an increase of 25.9 per cent. in the 12 months to October. The movement reversed the steady decline in the rate of wage inflation which has been evident since the peak 33.5 per cent. year-on-year rate of increase recorded in May.

However, the success of the wages policy is reflected in the record of settlements since it came into effect at the beginning of August and in the continuing drop in the rate of growth of earnings.

The index of average earnings is regarded as a more sensitive indicator of the impact of wage restraint, since it covers a much broader spectrum than wage rates which reflects only manual workers.

In October—the earnings index appears a month behind wages—average earnings increased by 0.6 per cent. with the seasonally adjusted index at 239.3 (January 1970=100).

For the first time in a year the rise over the latest 12-month period dropped below 25 per cent. at 24.7 per cent. This compared with a year-on-year increase of 25.8 per cent. in the previous month, an dis expected to contribute to a further marked reduction in the rate of price inflation early next year.

The Department of Employment estimates that since the wage restraints came into effect some 80 settlements have been reached, affecting about 2¼m. workers, all within the £6 pay rise limit. If other settlements which are not specifically monitored are taken into account, it is thought that so far some 15 per cent. of the country's total workforce has settled within the policy.

The effects of the wage restraint have already shown up in the retail prices index which, while up by 25.2 per cent. in the year to November, has been increasing at a rate of less than 15 per cent. a year in recent months.

Responsible

The jump in wage rates last month was due particularly to higher national minimum rates in the engineering industry, the second stage of the current national agreement. This accounted for half the rise, and the engineering industry, which contributes a fifth of the total wage rate index, was also responsible for the last big increase in March.

There were also significant contributions last month from settlements in the retail food trades and local authorities' services.

Chrysler: TUC accept but stewards may object

By Terry Dodsworth and Roy Rogers

Government proposals for rescuing Chrysler's U.K. operations were broadly accepted yesterday by TUC leaders and national union officials as being the best possible under the circumstances. But shop stewards have still to be convinced and may yet mount determined opposition to the 8,000 planned redundancies.

Meanwhile, yesterday's activity in Parliament was marked by vigorous action—and apparently successful—on the part of the Government whips to head the threatened rebellion in the key division on the Order giving Parliamentary authorisation for the deal to go ahead.

On the industrial front, both the CBI and Mr. Edward Heath, the former Conservative party leader, joined the chorus of criticism over the proposals in sharply worded comments which accused the Ministers of abandoning their long-term industrial strategy.

Meeting

National union officials and shop stewards, who heard details of the scheme from Ministers including Mr. Eric Varley, Industry Secretary, last night will meet senior management on Friday before deciding their attitude to the proposals.

Directly after the unions have made their considered appraisal of the situation, they are expected to seek to negotiate with the company—they have asked whether Mr. John Riccardo, chairman of the U.S. parent company, can be present at the meeting—on ways of reducing the number of planned redundancies.

Meanwhile shop floor opposition grew yesterday with workers at the company's Maidstone works, due to close next June, voting for the proposals, deciding on a policy of non-co-operation. To-day workers at the Chrysler's Linwood, Scotland, plant where 3,000 of the 6,500 manual workers are due to lose their jobs, will be advised at a meeting to oppose the cuts.

Linwood shop stewards are also contemplating staging an occupation of the plant unless workers there are recalled on January 5. So far they have received no instructions about resuming work in the New Year.

Optimistic

It seems the best the shop stewards can hope to achieve at to-morrow's meeting is a limited reduction in the number of redundancies at plants like Linwood where initial mass redundancies are due to be followed by some recruitment later in the year as Avenger production is switched from Coventry to Scotland.

As far as the Government is concerned there is no scope for any significant change in the *proposals, a point that was* stressed by Mr. Varley at yesterday's meeting. He was also adamant that there could be no greater public accountability on the grounds that that would only make sense if Chrysler U.K. was nationalised and this was not on because of the Government's commitment to British Leyland.

Nevertheless, he was optimistic that the unions would co-operate with the planned reorganisation, although *he added that without that co-operation the proposals "did not stand a chance."*

Our man in Paris's allowances—£56,931

BY JOHN HUNT AND MALCOLM RUTHERFORD

THE BRITISH Ambassador to Paris receives a gross salary of £18,675 a year (£8,954 net) plus annual allowances of £56,931, of which £21,000 are for entertainment. In addition, he receives a car and chauffeur, pays no rent, and the wages of his servants are paid direct from public funds.

The figures emerged in a series of written Parliamentary answers yesterday after Mr. *David Ennals, Minister of State* at the Foreign Office, had announced a 10 per cent. cut in entertainment allowances for British diplomats overseas in the coming financial year.

The answers—to a series of *questions from Mr. Norman Lamont* (Con., Kingston-on-Thames)—also reveal that, on top of all other allowances, the Foreign Office pays a maximum of £1,293 a year per child in boarding school allowances.

They further disclose that when a diplomat is posted abroad, he is eligible for a loan for purchase of a car of up to 90 per cent. of the purchase price or a maximum of £1,632. The loan is interest-free and is repayable within two years.

A series of figures on the cost of British representation in Bonn, Paris, Rome and Brussels shows that the allowances in Paris are much the highest. The Ambassador to Bonn, for example, receives allowances, excluding entertainment, of £10,801 and to Rome £8,565—against the Paris figure of £35,932.

A Minister in Paris—just below the rank of Ambassador—receives a gross salary of *£12,410 a year (£7,674 net)*, plus general allowances of £11,710 and a further £4,922 for entertainment.

A Second Secretary—probably aged about 30—has a salary of £5,710 (£3,663 net), allowances of £4,776 plus £697 for entertainment. None of these allowances is liable to income tax.

Rent allowances alone, the answers show, may be as high as £7,000 a year in the case of Counsellors (below the level of Minister) in Paris and Rome.

British diplomats abroad are also able to buy duty-free petrol, drinks and tobacco, as well as certain foodstuffs and household good from an Embassy commissary or the NAAFI, but the answers say that these advantages are taken into account when the allowances are calculated.

Reksten associates' P & O stake sold to institutions for £12m.

BY STEWART FLEMING

THE 10 per cent. shareholding in P & O group owned by associates of Mr. Hilmar Reksten, the Norwegian shipowner, was sold yesterday to institutional investors for £12.4m.

The shares were placed with the institutions early in the morning by brokers Rowe and Pitman Hurst Brown and Hoare and Co. Govett at 89½p, which compares with a closing market price on Tuesday night of 99p. P & O shares closed last night at 96p.

The announcement that a stake of 13.9m. shares in P & O had been placed came from Hambros Bank which has been closely associated with Mr. Reksten. The statement said the shares were sold for an overseas client of Hambros.

Although no details of the beneficial owners of the shares were given, it is understood they are associates of Mr. Reksten and the stake which was sold is the one generally believed to have been built up in P & O by Mr. Reksten's interests.

In view of the financial difficulties facing Mr. Reksten as a result of his involvement in the spot tanker market, it has been anticipated for some time that the stakes which he and his associates controlled in P. & O and another U.K. shipping group, Furness Withy, would be sold.

It is believed that the stake of about 15 per cent. in Furness Withy controlled by Mr. Reksten's associates passed to Euroacanadian Shipholdings which announced in September that it had built up a stake in Furness Withy.

At the time, it was estimated that the stake controlled by Reksten interests might have been valued on the Stock Exchange at around £9m.

Reksten interests are also associated with P and O as equal shareholders in Anglo-Nordic Shipping, a tanker group valued in 1973 at around £80m.

How the sale of the P and O stake (and previously the Furness Withy stake) by financial position of Mr. Reksten associates affects the Reksten's shipping companies is unclear.

Reksten is believed to have 10 of his 11 tankers laid up at present. Earlier this year, however, he sold Kr.177m. of shares in industrial and shipping companies to the Norwegian Government to generate cash, and subsequently sold four dry cargo ships for Kr. 190m.

The shares in P and O, however, are understood to be owned by associates of Reksten, not by his Norwegian companies, and the proceeds are not immediately remitable to Norway.

A small proportion of the stake was, it is thought, pledged to Hambros as collateral, but details of the relationships between Reksten and the associates are not known.

Continued from Page 1

HP relaxed in Healey package

grounds the Opposition would vote against the Government later in the evening.

But even Right-wing and moderate Labour MPs were dismayed that the Chancellor's package was even thinner than they had expected.

"Window-dressing" was how one of them described it, adding, however, that Mr. Healey obviously could not have conceded the Left's demand for major reflation.

Apart from those MPs with textile and leather footwear industries in their constituencies—and they were disappointed that no more had been offered—few Labour MPs believe that yesterday's *measures will lift the* hearts of the electorate, their local supporters, or the unemployed.

Privately, some of them had hoped for at least one measure which they could portray as a temporary Christmas present.

Their feeling is that the Government is now at a nadir of its fortunes, and that even if the Chancellor's hopes about a natural upturn in employment next year are fulfilled, Labour's electoral prospects at the moment are bleak.

"When are we going to get Mr. Healey's unemployment measures?" asked one Labour MP sardonically last night.

Although they reacted furiously to parts of Sir Geoffrey's speech, especially when he praised the Chancellor for his sanity in resisting pressures for major import controls and PH relaxations, they agreed with the Conservatives that the Government had raised false expectations in the last few weeks.

Short time at Thorn

SHORT-TIME working is to be introduced at the Bradford factory of Thorn Consumer Electronics, which makes colour TV sets. A four-day week will be introduced in January and the firm has also started a scheme for voluntary redundancies.

Mr. David Clement, personnel manager, blamed a fall in trade. By introducing the four-day week and voluntary redundancy, it was hoped to avoid compulsory redundancies.

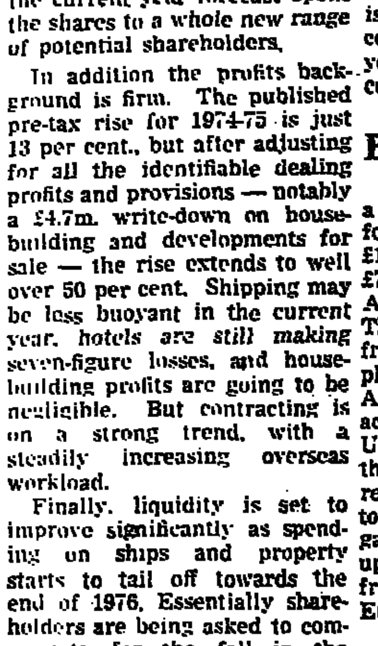
THE LEX COLUMN

Trafalgar boosts its net worth

The minimal content of the Chancellor's package had been well aired in advance so the market had little incentive to stir, though the overall stability was reasonably encouraging given that the morning's Trafalgar House rights issue and P & O secondary placing totalled £38m. One active area, however, was the short end of gilts where buying of the short tap probably exceeded £50m., with the Government broker edging his price upwards. The extra spending implied by the new measures is small, although it is interesting that the Government is replacing the spurned private sector institutions and is providing £70m. by the end of March to finance the BSC's steel stockpile.

As expected, car HP controls are left unchanged, and this is the only sector which could have given banks and finance houses significant new lending *opportunities*. Nor are any relaxations extended to Barclaycard and Access. Instead, banks are told they "should not feel inhibited" in financing industry's working capital requirements.

Index rose 0.5 to 368.3



Trafalgar House

Trafalgar House says that its £25½m. rights issue is seen "primarily as a means of increasing our net worth in keeping with the overall growth of the business"—and one can see what it means. Although published profits have risen by over half since 1971-72, net worth is less than £8m. higher. At the same time, the contracting workload has increased substantially, and so has the scale of individual risks with jobs now in the offing worth £50m. or more each.

The sluggish trend in net worth may seem to make the profits record irrelevant and the rights issue questionable. But there are rather special circumstances. In 1973-74, U.K. properties were written down to 1970 values or cost, and that still looks satisfactorily conservative. Last year, the group's exposure to currency loans knocked £10.8m. out of reserves: over half was related to ships, which are effectively international assets.

The rights issue will transform the balance sheet, increasing tangible net worth by nearly half, and there are several tempting features. The most obvious is the dividend, which with Treasury approval is to be increased by 89 per cent. over a two-year period.

There is quite a cost in terms of unrelieved ACT, but an ex rights yield of 6.7 per cent. on the current year forecast opens the shares to a whole new range of potential shareholders.

In addition the profits background is firm. The published pre-tax rise for 1974-75 is just 13 per cent., but after adjusting for all the identifiable dealing profits and provisions — notably a £4.7m. write-down on housebuilding and developments for sale — the rise extends to well over 50 per cent. Shipping may be less buoyant in the current year, hotels are still making seven-figure losses, and housebuilding profits are going to be negligible. But contracting is on a strong trend, with a steadily increasing overseas workload.

Finally, liquidity is set to improve significantly as spending on ships and property starts to tail off towards the end of 1976. Essentially shareholders are being asked to compensate for the fall in the property market, but this seems an acceptable way of doing it.

Unigate

Unigate has made £9m. before tax for the first 24 weeks of 1975-76, against a comparable £7.2m.—and the driving force has been a rise of close on 3 per cent. in volume sales of milk. Recent price rises are affecting milk volume but a margin increase is due to be announced at any moment, and Unigate is managing to tick over quite nicely on the manufactured side.

Last year's margin boost was worth £3.1m. in retrospective awards, and that sort of sum is not going to be forthcoming this year. But milk consumption is still at its healthiest for years. In manufacturing the... and cheese pose problems ... yogurt is finally making profits with Unigate claiming a big jump in market share ... around a third this year. The inclusion of Frigo of the ... has probably kept the overseas side all-square despite losses in Canada where terminal ... will be taken in at the year ... Scot Bowyers is still ... and so are the transport ... tions.

Obviously any attempt at a profit forecast can be ... wildly out by the ev... margin award. But the ... of the shares in recent ... shows how the market ... ting, and Unigate should ... fortably top £20m. ... against £17.7m. Fol... March's right issue that ... imply a drop of a tenth in ... ings this year. But the ... is *going to remain* ... covered and at 56½p. ... yesterday, the yield is ... cent.

BOC

BOC has ended 1974 ... a tenth ahead of its June forecast at £47.4m. pre... £13m. rise over the year ... £7.1m. of the gain coming ... Airco (included for a full ... The above expectation ... from quarter is partly ... plained by the streng... Airco, while the decl... activity in Europe (main... U.K.) has also been s... than anticipated. Althou... recession has hit low ... tonnage oxygen, the rest ... gas side and engineering ... up, coupled with an initial ... from the offshore ... Europe is £4.8m. ahead.

In the current year, the ... is not expecting much ... recovery in demand ... second half with the ... coming overseas, particu... Australia, South Africa, ... U.S. And hopes of a ... pre-tax advance should ... a capitalisation of £15... 59½p even after the very ... share price performance ... year. Meanwhile, the re... has kept debt around £1... £180m. over the past six ... and cash flow should ... fixed and working capital ... until the middle of 1975... BOC has yet to show ... generate sufficient profit... long term to meet its ... regular rights issues af... in the past eight years

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